



IT'S NOT JUST  
ABOUT GOLD.

Shree Ganesh Jewellery House Limited  
Annual Report 2011-12

## 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.

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The year 2011-12 was one of the most challenging we have seen in recent years.

The price of gold increased from around ₹20,700 per 10 grams to over ₹29,300 per 10 grams at peak, increasing the cost of our raw material.

In this challenging environment, when one would have feared that jewellery buyers would back off, Shree Ganesh Jewellery House Limited reported a 25.76% increase in revenues and a 11.27% growth in its profit after tax.

Because the Company's story was not just about gold.



The Company is headquartered in Kolkata (India) with six manufacturing locations and 46 sales and marketing offices pan-India.



Shree Ganesh Jewellery House Limited is an exciting global proxy.

Of a rich insight into what jewellery designs International and Indian buyers prefer.

Of the deep centuries-old handcrafted jewellery tradition in West Bengal.

Of the wage arbitrage opportunity between India and the more affluent Asian geographies.

Of the successful balance between conventional manufacturing skills and modern technology.

Of the ability to reconcile an entrepreneurial appetite within a corporatised organisational structure.

#### Background

Shree Ganesh Jewellery House Limited (established in August 2002 by Mr. Nilesh Parekh and Mr. Umesh Parekh) is a leading manufacturer and exporter of handcrafted and machine-made gold jewellery (gold, diamond, gemstone-studded and lightweight Italian fusion).

#### Listing

The Company's shares are listed and actively traded on Bombay Stock Exchange and National Stock Exchange of India. The Company enjoyed a market capitalisation of ₹511.25 crores as on March 31, 2012.

#### Portfolio

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

- Handcrafted and hallmarked plain gold jewellery and enameled jewellery
- Gem-studded gold jewellery (studded with diamonds, pearls, rubies, emeralds, sapphires, among others and semi-precious stones such as garnet, cubic zirconium, among others)
- 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, among others

#### Accreditations

- Award for Outstanding Export Performance by Gems and Jewellery Export Promotion Council in the category of Plain Precious Metal Jewellery Exports from Units by EOU/EPZ, 2010-11
- Recognised as highest exporter of gems and jewellery from India by DHL-CNBC International Trade Awards
- Recognised as a Four Star Export House
- Nominated Agency under the Foreign Trade Policy, permitting the Company to

directly import precious metals

- Credit rating of A1+ for short-term debt and A+ for long-term funds by CARE

#### Locations

The Company is headquartered in Kolkata (India) with six manufacturing locations and 46 sales and marketing offices pan-India. The Company's products are exported to UAE, Singapore, Hong Kong and USA, among others. Besides, the Company's 46 pan-India retail outlets market jewellery products under the brand 'GAJA'.

#### Plants locations

- **Manikanchan SEZ (Kolkata)**  
Gold manufacturing capacity: 42,000 kgs of handcrafted jewellery  
Craftsmen: 502(Approx)
- **Mondalpara (West Bengal)**  
Gold manufacturing capacity: 1,500 kgs of Italian fusion jewellery, 600 kgs of bangle jewellery and 450 kgs of plain and studded gold jewellery  
Craftsmen: 60 (approx)
- **Domjur (West Bengal)**  
Gold and diamond studded jewellery manufacturing capacity: 20,000 kgs of handcrafted jewellery and 1.5 lac carat diamond studded jewellery  
Refining capacity: 35,000 kgs  
Expected craftsmen: 400(approx)



Increase in our total income over the previous year

27.22%

Challenging circumstances bring the best out of some companies. Here is proof.

**Financial highlights, 2011-12**

- Total income increased 27.22% from ₹5,30,730.84 lacs in 2010-11 to ₹6,75,188.51 lacs
- EBIDTA increased 31.09% from ₹34,035.32 lacs in 2010-11 to ₹44,619.01 lacs
- Profit after tax increased 11.27% from ₹26,384.82 lacs in 2010-11 to ₹29,358.37 lacs

**Operational highlights, 2011-12**

- Derived 80% revenues from exports
- Initiated the construction of the integrated jewellery manufacturing complex in Domjur to manufacture machine-made lightweight gold jewellery
- Started operations in one of the units in Domjur, West Bengal

**Marketing highlights**

- Added 26 'GAJA' retail outlets across India (total 46)
- Entered into a strategic alliance with Bharti Retail for shop-in-shop arrangements at its retail stores
- Extended the Company's presence to USA and Sri Lanka

**Revenue from sales**

	(₹ in lacs)
2007-08	1,27,597.64
2008-09	2,14,999.12
2009-10	2,95,225.23
2010-11	5,24,293.87
2011-12	6,59,346.39

**EBIDTA**

	(₹ in lacs)
2007-08	10,219.93
2008-09	16,231.22
2009-10	20,461.33
2010-11	34,035.32
2011-12	44,619.01

**PAT**

	(₹ in lacs)
2007-08	8,717.70
2008-09	13,245.07
2009-10	16,588.19
2010-11	26,384.82
2011-12	29,358.36

**Exports**

	(₹ in lacs)
2007-08	11,907.89
2008-09	2,13,187.72
2009-10	2,82,903.49
2010-11	4,62,884.83
2011-12	5,25,714.64

**Gross block**

	(₹ in lacs)
2007-08	1,374.58
2008-09	1,687.32
2009-10	2,396.83
2010-11	10,950.12
2011-12	20,349.33



## VOLATILE

A number of people assume that in a volatile industry environment, our profits are vulnerable to trading losses ...



**At Shree Ganesh Jewellery House Limited,** we are not a gold mining or trading company. We are a fine hand-crafted gold jewellery manufacturing company.

As a responsible jewellery manufacturer, we do not inventorise gold for the purpose of trading or playing on short-term price swings; the receipt of a client's jewellery order is immediately secured by the purchase of the corresponding gold quantity, eliminating the scope for taking a position and protecting us completely from prospective volatility.

The effectiveness of this de-risking is reflected in our performance for 2011-12. Even though the cost of gold increased 42% from year-start to year-end with a number of sharp movements in the interim, the Company did not report any profit or loss on account of a timing mismatch (between gold purchase and sale). So even as the Company was exposed to gold price fluctuations, its extensive de-risking protected the integrity of its manufacturing-centric financials.



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## FASHION

A number of people feel that with gold becoming expensive, gold jewellery will go out of fashion...



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Shree Ganesh embarked on spreading its risk by manufacturing more affordable machine-made lightweight alternatives, addressing the needs of the broad middle-class and younger generation.

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**At Shree Ganesh Jewellery House Limited,** we feel that the handcrafted gold jewellery segment is enduring in its appeal. This segment has successfully grown its offtake despite a secular long-term increase in gold prices.

The fundamentals influencing the handcrafted segment remained buoyant even as the sector was affected by unprecedented volatility in 2011-12. The desire to present gold jewellery at special events – marriages, anniversaries and births – remained largely unchanged, which explains why despite an unprecedented upheaval in the precious metals sector, Shree Ganesh Jewellery reported a robust growth. This indicates that even as the basic cost of its raw material – gold – became more expensive, the Company's existing customers bought a larger quantity of gold jewellery than ever before.

However, at Shree Ganesh Jewellery House Limited, we recognise the dangers arising from a sustained increase in gold prices to the point that metals and jewellery can become unaffordable for a large consumer section. So even as the Company is engaged in the handcrafted manufacture of jewellery that addresses the needs of the affluent, it has already embarked on spreading its risk by manufacturing more affordable machine-made lightweight alternatives, addressing the needs of the broad middle-class and younger generation.

Going ahead, the Company intends to increase machine-made capacity, enhance the proportion of lightweight jewellery revenues and strengthen overall profitability.







GOLD

A number of people feel that we are  
mere gold converters...



**At Shree Ganesh Jewellery House Limited,** we escaped the commodity end early in our existence when we decided to grow our presence in the handcrafted segment of the gold jewellery industry.

The handcrafted segment is more painstaking than manufacturing machine-made jewellery. The designs are crafted around specific customer needs. These designs are enduring, protecting the Company from sudden changes in fashion or preference. These designs are classified as per enduring centuries-old jewellery traditions addressing a specific consumer segment in India and the Middle East.



Increase in the  
number of GAJA stores

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Over the last few years, the Company has extended its presence from gold jewellery manufacture to branded pan-India gold jewellery retail (GAJA). The proportion of revenues derived from retail stores increased during the year. The number of GAJA stores increased from 20 to 46; the retail chain broke even in 2010-11 and generated a reasonable surplus in 2011-12. Going ahead, the Company intends to increase its retail presence to stores and enhance the retail proportion of total revenues.

This extension from jewellery manufacture at one end and retail at the other will extend our value chain, while strengthening our profitability and business sustainability.





# RENEWABLE ENERGY

A number of people wonder what we are doing in the area of renewable energy...




At Shree Ganesh Jewellery House, we created a business model that is expected to generate a significant surplus over our immediate investment needs in plant, machinery or working capital.

For instance, in 2011-12, we reported a cash profit of ₹19,906.38 lacs. The Company embarked on making prudent investments in renewable energy generation (solar) to generate a return on cash in excess of what it would have earned if invested in no-risk fixed income instruments and also generate an attractive tax hedge.

The Company acquired interest in a 25 MW solar power project in Gujarat (at the Gujarat Solar Park, Asia's largest single location with an installation of over 200 MW) that commenced commercial production from March, 2012. The Company expects to generate ₹60 cr in revenues from this business in 2012-13.


The Company expects to widen its presence in this sector through a subsidiary that will progressively leverage its accruals and grow its presence without continuous financial inputs from the parent company.

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The Company acquired interest in a 25 MW solar power project in Gujarat that commenced commercial production from March, 2012.


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PROFIT

A number of people wonder why we have debt  
on our books despite reporting a large profit...

  
The Company had ₹132,501.38 lacs of net worth on its books at the close of 2011-12, resulting in a safe gearing of 1.44 over outside liabilities.



The Company had ₹132,501.38 lacs of net worth on its books at the close of 2011-12, resulting in a safe gearing of 1.44 over outside liabilities. Besides, the increase in retained earnings during the year under review was higher than the increase in debt, indicating that the Company's gearing can potentially correct with speed over the foreseeable future.

More importantly, the cost of the Company's debt was an average 7.55% compared with the prime lending rate of 14.75% in India. Besides, the interest coverage ratio is 2.18.

**At Shree Ganesh Jewellery House Limited,** it is imperative for us to buy gold on the spot. This convenience is facilitated by back-to-back relationships with reputed international banks – Standard Chartered Bank, HSBC Bank, The Bank of Nova Scotia and Natixis Commodity Market Limited – who require us to keep large fixed deposits/margin with them as collateral. Over the years, the Company funded this margin through debt. This debt can be liquidated within minutes by simply selling the gold, securing the Company's ability to fund its debt repayment should the need arise.



## Our business model: Creating a holistic jewellery organisation.

Over the years, Shree Ganesh strengthened its business model to address growing demand and to evolve from just a gold converter into a holistic jewellery organisation.



**Handcrafted jewellery:** The Company possesses the expertise to produce exclusive handcrafted jewellery.

- Possesses an installed capacity to process 44,000 kgs of gold a year
- Caters to growing demand for handcrafted jewellery coming out of India and the Middle East (including Singapore, Hong Kong and USA )

**Fusion jewellery:** To cater to the new consumer class marked by rising disposable income, the Company entered the relatively affordable fusion Italian jewellery segment.

- Established a manufacturing plant at Mondalpara (West Bengal) with a processing capacity of 1500 kgs per annum
- Entered into a joint venture with an Italian company for design, assets and technology in exchange for infrastructure and brand to market the output

**Retail:** The Company extended forward from jewellery manufacture to retail to capture the mark-up in the last mile.

- Commissioned 46 retail stores across India
- Tied up with Bharti Retail for shop-in-shop arrangement to increase its domestic retail presence

**Brands:** The Company invested in brands to capitalise on a growing preference for branded products and increase the consumption of manufactured products.

- Owns 10 brands under the umbrella of SGJHL
- Brands include the popular GAJA, Gaja Lites , Gaja Diamond, Gaja Gold, GM Gold and You

**Refining:** The Company perceives an evident opportunity in purchasing old jewellery to refine it for onward re-use; there is an abundance of heirloom jewellery waiting to be contemporarised around prevailing designs.

- Will provide the Company with a steady gold supply from domestic sources
- Established a refining plant at Domjur (West Bengal) with a refining capacity of 35,000 kgs per annum

**NBFC:** In a country where gold has been used as collateral for loans, entering the NBFC space represents a logical extension.

- Generate an attractive interest income on the quantum of loan provided, with a safe collateral that exceeds the value of the loan by a safe margin
- The gold loan market has been reporting a compounded annual growth rate of 35% over the five years leading to 2011-12

**Bullion trading:** Gold is one of the most preferred investment mediums in India.

- Tied up with National Spot Exchange to facilitate an online gold trading platform
- Earns revenues through delivery charges on such transactions

**Solar power:** The generation of renewable energy is being encouraged through tariff and tax incentives.

- The Company forayed into the generation of solar renewable energy through a 55% owned subsidiary
- The Company commissioned a 25 MW plant at the Gujarat Solar Park, Asia's largest single solar power location with installation of over 200 MW and 5 MW plant at Rajasthan

## Chairman's review

## It's not just about gold...



I am pleased to present our performance during the year under review.

Our Company reported a 25.76% growth in revenues and 11.27% increase in profit after tax.

**Structural shift**

At Shree Ganesh, we are capitalising on a structural shift in consumption trends. There are a larger number of people today who would rather buy gold jewellery than stock raw gold as the cost of conversion into jewellery is negligible as a proportion of the total cost of ownership. Besides, the flexibility to wear the jewellery as opposed to keeping the raw gold in the vault is a greater inducement for its onward conversion.

Over the last few years, the emergence of a new wave of jewellery designers-cum-

manufacturers-cum-retailers created a case for compelling jewellery purchase, extending what was once a conventional product worn only at special occasions to something that is contemporarily fashionable.

At Shree Ganesh, we are capitalising on this inflection point. These are some of the trends that are becoming increasingly manifest:

- An increasing number of buyers prefer to buy branded jewellery, following the industry selecting to commission stores pan-India, invest in gold hallmarking,

provide buyback and promote products through the media

- There is a growing movement of jewellery purchase from gold-silver-platinum to bases that may not necessarily be as precious or expensive, circumventing the sharp increase in the cost of these precious metals
- There is a wider appetite for gold jewellery as part of everyday wear as opposed to the conventional application for high-end events
- There is a bigger appetite today for machine-made lightweight jewellery following the emergence of a new generation of buyers/earners who prefer affordability without compromising aesthetics

**Our preparedness**

At Shree Ganesh Jewellery House Limited, we expect to capitalise on this opportunity through the following initiatives:

**Corporatisation:** Over the last few years, we have transformed from an informally entrepreneurial approach to one that reconciles entrepreneurship at one end with professional corporatisation at the other. The result is that we invested in systems, processes, controls and reporting. This represents the fundamental bedrock of our approach to capitalise on the industry's emerging opportunities.

**Value chain:** Over the last few years, we widened our industry presence starting with refining from one end to manufacture to distribution to retail to branding, making it possible for us to capture value at every intermediate point.

**Aggressive investments:** Over the last three years, we increased our handcrafted jewellery manufacturing capacity by 115.17%; we possess the largest handcrafted jewellery factory in Asia (100,000 sq.ft).

**Alliances:** We entered into a joint venture with an Italian company to manufacture

lightweight gold jewellery, wherein the Italian company provides its tested technology and equipment while we provide the joint venture with infrastructure and brand. This asset-light approach is expected to generate 50 lac euros for the joint venture in a full year's working and following successful implementation, could be scaled and extended to other products.

**New opportunities:** The Company entered the business of renewable (solar) energy generation through equity investments in a Kolkata-based power Company during 2011-12 with the objective to capitalise on a scalable opportunity, leverage tariff and tax incentives and enhance corporate value. The Company acquired 55% stake in a running solar power generating company with 30 MW assets already commissioned as of April 2012. The company intends to generate ₹60 crore in revenues during the current financial year, plans to commission two additional solar power units of 25 MW and 50 MW each, intends to commission 500 MW in three years through private equity participation and accruals without a significant drain on the financials of Shree Ganesh.

**Enhancing shareholder value**

At Shree Ganesh, we recognise that we are in business to enhance value for our shareholders. The one way in which we did so was through a 11.27% increase in our profit after tax for 2011-12. To reward our shareholders fittingly for this improvement in our performance, we proposed a dividend of ₹6 per share. Besides, we expect to enhance value through a 15-20% revenue growth and an extension into different profitable jewellery segments that enhances volume and value, resulting in better returns in the hands of all those who have invested in our Company.

Sincerely,  
**Niles Parekh**  
Chairman



# Enduring strengths

## Experience:

The Company leveraged the experience of seven generations of the promoter's family in jewellery manufacture to grow its business, transforming it from a family-run business to a professionally-delegated organisation.

**Reputed:** The Company emerged as India's largest handcrafted jewellery manufacturer within a decade of existence.

**Strategic location:** The Company's three manufacturing units are located in West Bengal, a region marked by the abundant availability of skilled jewellery craftsmen, international connectivity and tax incentives (for the Manikanchan SEZ unit).

**Designing capabilities:** With a highly skilled design team and tie-ups with leading fashion designers, the Company provides exclusive customised jewellery. The team develops an average 500 designs a month.

**Quality:** The Company's products meet stringent international fashion standards; as a result, over 80% of the Company's product output is sold globally.

**Customers:** Over 72% of the income is derived from longstanding customers of more than three years. The Company leverages strong marketing connections with large wholesalers in Singapore, the Middle East and Hong Kong; nearly 80% of the Company's revenues are derived through exports to these wholesalers.

**Scale:** The Company possesses a 64,550 kgs manufacturing capacity of handcrafted gold jewellery and light Italian fusion jewellery as well as 35,000 kgs of gold refining capacity.

**Competitiveness:** The Company's labour cost is a tenth of that in developed countries.

## Relationships:

The Company enjoys long-term relationships with major gold suppliers, enhancing raw material security and bulk purchase economies. Around 70% of the Company's gold suppliers are over three years old.

**Portfolio:** The Company's product portfolio comprises rings, earrings, pendants, bracelets, necklaces, bangles and other gold articles (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.

**Integrated:** The Company is integrated from refinery to manufacture (hand crafted and machine-made) to retail to NBFC.

**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), among others.

**Cash rich:** The Company possessed reserves of ₹1,26,433.13 lacs and a cash balance of ₹82,283.58 lacs as on 31 March 2012.

**Order book:** The Company's outstanding order book was ₹5,000 crore at the end of 2011-12.

**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



Mr. Umesh Parekh, *Managing Director*

### Global economy

The global environment turned adverse in September 2011, following the turmoil in the euro zone and doubts about the US economy provoked by rating agencies. Capital flows to developing countries declined by almost half in 2011. Europe appeared to have entered a recession, while growth in several major developing countries (Brazil, India, South Africa, Turkey and to a lesser extent Russia) slowed partly due to domestic policy tightening. Despite

relatively strong activity in the US and Japan, global economic trade declined. Global GDP grew 3.9% in 2011 compared with 5.3% in 2010.

As per World Economic Outlook, global economic growth is expected to slow to 3.3% in 2012, largely because the euro area economy is expected to enter into a mild recession in 2012, owing to a rise in sovereign yields, bank de-leveraging and additional fiscal consolidation.

### GDP growth %

Particulars	2010	2011	2012 (E)	2013(E)
World output	5.3	3.9	3.5	4.1
Advanced economies	3.2	1.6	1.4	2.0
Emerging and developing economies	7.5	6.2	5.7	6.0
Euro area	1.9	1.4	-0.3	0.9

(Source: IMF)

### Indian economy overview

The Indian economy grew 6.9% in 2011-12 against 8.4% in 2010-11, largely due to weakening industrial growth.

### Economic snapshot

(%)

Sector	2010-11	2011-12
Agriculture and allied activities	7.0	2.8
Mining and quarrying	5.0	(0.9)
Manufacturing	7.6	2.5
Electricity gas and water supply	3.0	7.9
Construction	8.0	5.3
Trade, hotels, transport, storage and communication	11.1	9.9
Financing, insurance, realty and business services	10.4	9.6
Community, social and personal services	4.5	5.8
GDP at factor cost	8.4	6.5

(Source: MOSPI)

### Global jewellery industry

2011 marked another impressive year for global gold demand, with investment demand showing strong growth and both jewellery and technology sectors remaining resilient. Mine production increased marginally to reach a record level, but this was counterbalanced by a small decline in recycling and considerable net purchases by central banks. The annual demand for 2011 totaled 4,067.1 tonnes (0.4% higher than 2010) worth an estimated US\$ 205.5 billion.

**Demand:** The tonnage demand of global jewellery of 1,962.9 was 3% below 2010, showing relative resilience given a 28% increase in the average annual price. The value of annual demand grew 25% to a

new record of US\$ 99.2 billion. Jewellery demand in 2011 is perhaps best considered in half-yearly terms: a strong first half, 9% up on H1 2010, largely due to a healthy demand in the two largest markets of India and China, demand in both countries catalysed by opportune dips in gold prices. However, second-half demand of 941.2 tonnes compared negatively with the same period of 2010, down 13% as gold prices touched record levels during the third quarter, combined with an increase in price volatility, which deterred consumers in key markets.

**Supply:** The annual data also reveals slightly lower levels of supply, 4% below 2010 at 3,994.0 tonnes.

### Gold demand in tonnes

	2010						2011			
	2010	2011	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Jewellery	2,016.8	1,962.9	520.5	416.1	518.2	562.0	552.5	469.1	464.7	476.5
Technology	466.4	463.5	114.3	116.1	120.0	116.1	114.5	116.9	119.8	112.3
Investment	1,567.5	1,640.7	254.5	593.0	358.9	361.0	335.8	383.0	493.7	428.2
Gold demand	4,050.7	4,067.1	889.3	1,252.2	997.0	1,039.1	1,002.9	969.0	1,078.2	1,017.0
Gold price (US\$/oz)	1,224.5	1,571.5	1,109.1	1,196.7	1,226.8	1,366.8	1,386.3	1,505.1	1,702.1	1,688.0

(Source: World Gold Council)

### Historic gold demand

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total demand (Tonnes)	3,374	3,212	3,514	3,759	3,442	3,587	3,954	3,619	4,051	4,067
Total demand (US\$ billion)	33.6	37.5	46.2	53.7	66.8	80.2	110.9	113.1	159.5	205.5

(Source: World Gold Council)

### Gold matters!

- Over the past three years, gold investments have exceeded equity savings by a factor of 11
- Gold consumption accounted for 2.3% of GDP in 2011-12

### Annual change in gold prices (in %) as on 1st July, 2012

	US\$	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	10.1%	31.1%
2012	2.4	6.7
Average	16.9%	18.5%

(Source: www.goldprice.org)

**Chinese market:** Chinese annual jewellery demand represented a 13% increase to 510.9 tonnes, equal to RMB 166.7 billion. Demand was subdued by volatility until the latter part of December when it was reinvigorated by substantially lower prices, which in part reflected stockbuilding by the trade in preparation for the anticipated demand surge ahead of the Chinese New Year. Chinese consumers continued to focus on pure gold jewellery, given the quasi-investment purposes by a number of Chinese consumers.

**Middle East market:** Among the markets in the Middle Eastern region, jewellery demand failed to respond to the drop in gold prices during the fourth quarter. Full year demand in Egypt was 32.8 tonnes, the market having more than halved in just three years (2008 demand was 74.3 tonnes). Saudi Arabia suffered a considerable decline in full-year demand by 17% to 55.8 tonnes. The UAE and other Gulf countries were relatively resilient, although Q4 demand in both was around 10% weaker. The yearly decline in the UAE was a relatively modest 6% with the result that annual demand of 57.7 tonnes overtook Saudi Arabia, a market that only a

decade ago was roughly twice the size. The effect of the gold price was manifested in increasing demand for lighter weight jewellery and a declining demand for 21 and 22 carat jewellery. The Arab Spring event also contributed to the weakness in regional demand in 2011.

### Indian jewellery industry

The Indian jewellery market is dominated by gold, which comprises almost 80% of the market share, followed by fabricated studded jewellery including diamond and gemstone studded jewellery. India is one of the premier locations for diamond manufacturing. Further, India also emerged as the largest cutting and polishing industry for diamonds in the world.

The gems and jewellery industry in 2011-12 increased by about 5% at ₹2,000 billion (US\$ 36.10 billion) against ₹1,950 billion (US\$ 35.20 billion) in 2010-11. The sector accounted for India's 14% of the total merchandise exports. On the contrary, the import of raw materials to make gems and jewellery stood at 32% at ₹721.60 billion (US\$ 35.20 billion) in 2011-12 over ₹545.64 billion (US\$ 9.84 billion) in 2010-11 (Source: IBEF).

The annual demand of jewellery in India for calendar year 2011 stood at 567.4 tonnes was 14% below 2010. In value terms, full-year demand to a record ₹1,340.4 billion, 13% above 2010's previous record (Source: World Gold Council).

Of the jewellery industry in India, only 5% is organised, thus creating opportunities for foreign players to enter the Indian market.

**Prices:** The gold price climbed by ₹7,600 per 10 gram during the year. It started from ₹20,700 per 10 gram on April 1, 2011 to ₹28,300 per 10 gram on March 31, 2012.

### Gold matters!

- India ranks as the largest global consumer of gold, accounting for a fourth of the world's gold demand
- Private ownership of gold is estimated at US\$1 trillion

During the year, yellow metal prices shot up by 36.71%. However, even capital markets did not do too well in this period, leading to fall in gold demand in the year.

**Exports and imports:** The total exports of gems and jewellery during 2011-12 stood at US\$ 42.84 billion, including that of cut and polished diamonds at US\$ 23.33 billion, gold at US\$ 16.52 billion and coloured gemstones at US\$ 342.80 million, according to the provisional data by GJPEC (Source: IBEF).

In value terms, despite lower volumes, gold import is estimated to be around ₹60,000 crore in 2011-12, while in 2010-11, around ₹45,000 crore of gold was imported. This can be attributed to a steep hike in the annual average price of gold in last one year.

### Demand drivers

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

**Traditional demand:** On average, at least 30 to 40 grams of gold is involved in every wedding, with richer households consuming several kilos during important ceremonies. Economists predict that higher per capita income will cause the average gold consumption in weddings to double in five years.

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

**Rural and semi-urban markets:** Rural and semi-urban markets make up 60% of the country's ₹70,000-crore gold jewellery

market (Source: World Gold Council). Branded jewellery accounts for just over 7% of the rural market with sales of ₹3,000 crore but this segment is growing 25-30% annually. Around two-thirds of the new outlets that 63 gold jewellery retailers covered by Crisil plan to open will be in small towns. Crisil indicates that jewellers expect to derive more than half their revenues from small towns by 2012-13 (around 40% in 2009-10). The 63 jewellery retailers covered in the report collectively accounted for 20% by revenue of the gold jewellery retailed in India in 2010-11.

**Retail market:** Total retail sales is expected to grow from ₹20.26 trillion (US\$ 422.09 billion) in 2011 to ₹31.78 trillion (US\$ 825.46 billion) by 2015, owing to strong underlying economic growth, population expansion, increasing incomes and rapid rollout of organised retail infrastructure (Source: BMI India Retail Report Q1 2012). The Indian luxury market of around US\$ 5.8 billion (nearly ₹28,500 crore) is spreading beyond metros and extending to smaller cities. The luxury market has grown at 20% over the past year and is likely to sustain this growth rate (Source: CII-Kearney)

**Increasing consumer class:** The Indian middle-class is projected to grow from 83 million in 2010 to 114 million by 2025, making it the largest middle-class population pool globally (Source: ENAM). Per capita income increased from ₹35,430 in 2007-08 to ₹46,492 in 2009-10 and ₹54,527 in 2010-11 to an estimated ₹60,972 in 2012-13 (Source: Deccan Herald). Private final consumption expenditure is expected to scale from US\$ 790 billion in 2010 to US\$ 3.6 tn by 2020 (Source: ENAM)

# De-risking our business

Risk is an expression of the uncertainty about events and their possible outcomes that could have a material impact on performance and prospects. As a responsible corporate, the management endeavours to minimise risks and maximise returns.

## Economic slowdown risk

# 1

**Risk:** Any economic slowdown could affect the purchase of gold.

**Risk mitigation:** • There is a huge under-penetration in the consumption of gold in India, so any economic slowdown is usually offset by the secular increase in incomes (especially rural which is affected less by slowdowns as the economy is largely agrarian)

- Over the last decade, the gold demand in India increased at an average 13% per year, outpacing the country's real GDP, inflation and population growth
- In the past three years, investments in gold outpaced equity investments by a factor of 11, indicating that in times of slowdown people like to invest in gold as a safe haven

## Raw material risk

# 2

**Risk:** Any increase in the cost of raw materials (gold, diamond and precious stones) could impact profitability.

**Risk mitigation:** • The Company enjoys long-term relationships with major global raw material suppliers, which secures availability

- The Company's status of Nominated Agency under the Foreign Trade Policy enables it to import precious metals directly, reducing intermediation cost
- The Company integrated backward into gold refining to enhance raw material security

## Competition risk

# 3

**Risk:** Jewellery manufacture is a low-capital business with no entry barriers, resulting in high unorganised competition.

**Risk mitigation:** • The Company possesses a large design library and rolls out 500 designs a month developed manually and with sophisticated CAD and CAM equipment and also provides products as per customer specifications

- The Company has 46 retail outlets in India and 10 brands targeting different customers, enhancing brand awareness and reducing competition
- More than 80% of the Company's revenues are generated through export sales, reducing the impact of domestic competition

## Quality risk

# 4

**Risk:** Handmade jewellery runs the risk of quality inconsistency.

**Risk mitigation:** • The Company's stringent quality control processes are implemented at various stages of product manufacture (design, finish, polishing and purity)

- The Company recruits workmen from traditionally skilled pockets of Domjur and Malda (West Bengal)
- The Company's products are hallmarked around the BIS logo and certified with a unique number to ensure absolute transparency and quality assurance
- The Company introduced machine-made Italian fusion jewellery resulting in product uniformity



### Customer concentration risk

# 5

**Risk:** Dependence on a few customers could result in a significant revenue loss in the event of customer attrition.

**Risk mitigation:** • No wholesale single client accounted for more than 13 % of the Company's revenues

- The Company has 10 retail brands catering to different target customers
- The Company has 46 retail outlets across the country
- The Company entered into a strategic alliance with Bharti Retail for shop-in-shop arrangements

### Geographic concentration risk

# 6

**Risk:** Exporting to a small number of countries could result in a significant revenue loss in the event of a regional slowdown.

**Risk mitigation:** • Nearly 80% of the Company's revenues were derived from exports, 42% from the Middle East, the largest global hub for gold jewellery offtake

- The Company enjoys a growing Indian presence (46 retail outlets across the country)
- The Company extended its customer base to countries like USA and Sri Lanka
- The Company intends to widen its presence in the ASEAN.
- Middle East is a growing market, expanding leaps and bounds as far as gold jewellery is concerned



### Foreign exchange fluctuation risk

# 7

**Risk:** Any currency volatility could affect earnings as the Company earns a majority of revenues from exports

**Risk mitigation:** • Over 77% of the raw material is imported and 80% of the total revenues are derived from exports, making the Company a net exporting company to the extent of ₹5,25,714.64 lacs (2011-12)

- The Company enters into forward contracts for any balance open position to protect itself from currency fluctuations
- The Company plans to set up subsidiaries (in Dubai and Singapore) and acquire an international branded jewellery company to cater to local demands and reduce exchange rate fluctuation risks

### Funding risk

# 8

**Risk:** An inability to source funds at a low cost may result in a rising cost of funds.

**Risk mitigation:** • The Company enjoys long-term relationships with major banks for working capital mobilisation

- The Company possessed a cash flow of ₹82,283.58 lacs and reserves of ₹1,26,433.13 lacs at the close of 2011-12
- The Company enjoyed a credit rating of A1+ for short-term debt and A+ for long-term funds by CARE

# Director's Report

*Om, Ganeshaya Namah*

Your Directors have pleasure in presenting the tenth annual report of the Company, together with the audited statement of accounts for the year ended 31st March 2012.

## 1. Financial results

For the year ended 31st March	2012 (₹ in lacs)	2011 (₹ in lacs)
Revenue from Operation	659,361.26	524,315.28
Other incomes	8,053.08	1,479.62
<b>Total revenue</b>	<b>667,414.34</b>	<b>525,794.90</b>
<b>Profit before interest, depreciation, and tax</b>	<b>44,619.02</b>	<b>34,035.32</b>
Less: Depreciation/amortisation	2,239.10	597.63
Less: Interest and finance charge (Net)	12,649.80	6,833.11
<b>Profit before tax</b>	<b>29,730.12</b>	<b>26,604.58</b>
Provision for taxes	371.76	219.76
<b>Profit after tax</b>	<b>29,358.36</b>	<b>26,384.82</b>

## 2. Dividend:

Keeping in view the growth made by the Company and the shareholders support received, your Directors are pleased to recommend a dividend of ₹6.00 per share, (60%) of ₹10 each on the equity share capital of ₹606,824,850 for the year ended 31st March 2012. Thus the dividend for the year ended 31st March 2012, aggregating to ₹4,231.60 lacs (including Corporate Dividend Tax of ₹590.65 lacs) as compared to ₹4,245.66 lacs (including Corporate Dividend Tax of ₹604.72 lacs) in the previous year. The dividend, if approved by the shareholders will be paid to those members whose names appear on the Register of Members on 17th August 2012.

## 3. Operations:

The Company's revenue from operation were ₹659,361.26 lacs for the year ended 31st March 2012 as compared with ₹524,315.28 lacs for

the previous year. Thus, there has been an increase in turnover of 25.76%. The Company's profit after tax grew by 11.27% to ₹29,358.36 as compared with ₹26,384.82 lacs for the previous year.

## 4. Subsidiary companies:

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

## 5. Human resources:

The Company has always attached maximum importance for development of human resource, the vital asset responsible for continued success

of the Company. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development.

Our relentless effort to improve the performance of our employees by sharpening and honing their knowledge, skill and most importantly attitude continues to receive high priority.

As on 31st March 2012, your Company had 816 employees on its rolls. 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.

## 6. Listing of Equity Shares:

Your Company's equity shares are listed on National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) and annual listing fee for the current financial year to both these exchanges has been paid by the Company.

## 7. Directors' responsibility statement:

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

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

- 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;
- That the Directors have prepared the annual accounts for the period ended 31st March 2012 on a going concern basis.

## 8. 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.

## 9. 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 for the financial year ended 31st March 2012 are given in Annexure II to this report.

## 10. Foreign exchange:

Your Company earned foreign exchange of ₹525,714.64 lacs from gold jewellery export and suitable steps have been taken for exploring the new markets in various countries. Foreign exchange outgo and earning details appear in Item no. 37 of Notes to Accounts for the year under review.

**11. Related party transaction:**

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

**12. 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.

**13. Directors:**

Mr. Pawan Singh Ingty and Mr. Sharad Mohata retire by rotation and being eligible, offer themselves for re-appointment.

**14. Acknowledgement:**

Your Directors take this opportunity to offer

their thanks and deep sense of gratitude for the cooperation and support received from the government authorities, financial institution/banks, customers, vendors, shareholders and the society at large. We would also like to place on record, our sincere appreciation for the total commitment, dedication, contribution and hard work of employees across all levels. The credit for the Company's achievement goes to them. We are deeply grateful to our shareholders for the confidence and faith reposed on us. Your Company looks forward to their continued cooperation in realisation of the corporate goals in the years ahead.

By order of the Board

25A Camac Street

Kolkata- 700 016

Dated: 24th May, 2012

Chairman

**Annexure – I to the Directors' Report pursuant to Section 217(2A) of the Companies Act, 1956 for the year ended 31st March 2012:****A. Employed and in receipt of remuneration aggregating ₹6,000,000 or more:**

Name	Age (yrs)	Designation and nature of duties	Gross remuneration (₹ In Lacs)	Qualification	Experience (yrs)	Date of commencement of employment	Previous employment/ position held
Mr. Nilesh Parekh	47	Executive Chairman. Overall management of the Company under the supervision of Board of directors of the Company.	446.83	B.Com	16	01.07.2007	Nil
Mr. Umesh Parekh	46	Managing Director. Overall day to day management of the Company under the supervision of Board of directors of the Company.	446.83	B.Com	16	01.07.2007	Nil

**B. Employed for a part of the year and in receipt of remuneration aggregating ₹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 31st March 2012:****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**

- 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.

- 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**

- Total foreign exchange earned – ₹525,714.64 lacs
- Total foreign exchange used – ₹450.36 lacs

The Company is engaged in export of gold jewellery, 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.

# CORPORATE GOVERNANCE REPORT

## I. SHREE GANESH JEWELLERY HOUSE LIMITED (SGJHL)'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.

## II. 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 MARCH 31, 2012

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 March 31, 2012, 05 (Five) Board Meetings were held on May 26, August 01, September 07, November 14 and February 14. The last AGM was held on August 26, 2011.

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 March 31, 2012 is :

SL No.	Directors	No. of Board Meetings Attended	Attendance at AGM	No. of other Directorships Held*	No. of other Memberships/ Chairmanships in Committees**	Category
1.	Mr. Nilesh Parekh	05	Present	Nil	Nil	Promoter & Executive
2.	Mr. Umesh Parekh	03	Absent	Nil	Nil	Promoter & Executive
3.	Mr. Sharad Mohata	04	Present	Nil	Nil	Non-Executive
4.	Mr. Satish Chandra Chaturvedi	05	Present	Nil	Nil	Independent.
5.	Mr. Pawan Singh Ingty	05	Present	Nil	Nil	Independent
6.	Mr. Dwarka Prasad Mathur	04	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.

## Code of Conduct

In Compliance of the Clause 49, to emphasise 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. 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

#### III. 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). The Audit Committee met 4 times during the year viz., May 26, 2011, August 01, 2011, November 14, 2011 and February 14, 2012 which were attended by all the members of Audit Committee.

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

#### IV. 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 Committee met twice during the year viz., August 01, 2011 and February 14, 2012 which were attended by all the members of Shareholder's Grievance Committee.

In total 6 cases of Investors' Grievances (including normal routine queries) were received during year 2011-12 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 March 31, 2012.

All valid requests for transfer of shares in physical mode received during the financial year ended March 31, 2012 have been acted upon by the Company and no such transfer is pending.

#### V. 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 March 31, 2012 and their shareholdings are detailed as under:

Name of Directors	Sitting Fees (₹ in Lacs)	Salary & Perquisites (₹ in Lacs)	Total No. of Shares Held
Mr. Nilesh Parekh	Nil	446.83	8891200
Mr. Umesh Parekh	Nil	446.83	9475300
Mr. Sharad Mohata	0.60	Nil	Nil
Mr. Satish Chandra Chaturvedi	0.75	Nil	Nil
Mr. Pawan Singh Ingty	0.75	Nil	Nil
Mr. Dwarka Prasad Mathur	0.60	Nil	Nil

#### VI. 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.

#### VII. DETAILS OF DIRECTORS APPOINTED/RE-APPOINTED

Details of directors being appointed/re-appointed have been disclosed in the notice

Year	Venue	Date	Time	No. of Special Resolutions Passed
2009	Avani Signature, Park Street, Kolkata – 700 016	23.09.2009	3.00 P.M	2
2010	Vidya Mandir, 1 Moira Street, Kolkata – 700 017	27.08.2010	11.00 A.M	1
2011	Vidya Mandir, 1 Moira Street, Kolkata – 700 017	26.08.2011	11.00 A.M	Nil

Resolutions passed through Postal Ballots during the year are :

1) On 20th October, 2011 a Special Resolution under Section 17 of the Companies Act, 1956 for amendment of incidental or ancillary Object Clause of the Memorandum of Association of the Company.

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.

#### VIII. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under:

2) On 24th March, 2012 the following resolutions were passed :

- An Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for increasing the borrowing powers of the Company.
- An Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956

for creation of Charge.

- c) A Special Resolution for giving loans or extending guarantee or providing security in excess of the limit prescribed under section 372A of the Companies Act 1956.

One Resolution is proposed to be passed by Postal Ballot before the ensuing Annual General Meeting.

### IX. 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 March 31, 2012 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.

### X. 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.

### XI. GENERAL SHAREHOLDER INFORMATION:

- Annual General Meeting (Financial Year 2011-12):
  - Day, Date & Time : Friday, the August 24, 2012 at 11.00 a.m.
  - Venue : Vidya Mandir, 1, Moira Street, Kolkata – 700 017
  - Financial Calendar (Tentative and subject to change):
- Financial Reporting for the quarter ended June 30, 2012: second week of August, 2012
  - Financial Reporting for the quarter ended Sept. 30, 2012: second week of November, 2012
  - Financial Reporting for the quarter ended Dec. 31, 2012: second week of February, 2013
  - Financial Reporting for the year ended March 31, 2013: last week of May, 2013
  - Annual General Meeting for the year ended March 31, 2013: September, 2013

- Dividend: The Board of Directors has recommended a final dividend of ₹6/- 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 August 17, 2012.
- Dividend Payment Date: September 4, 2012
- Book Closure Period: August 18, 2012 to August 24, 2012 (both

- days inclusive) for Annual General Meeting and dividend.
- Listing on Stock Exchanges & Payment of Listing Fee:
- Bombay Stock Exchange Limited (BSE)  
P.J. Towers, Dalal Street,  
Mumbai – 400 001
  - National Stock Exchange of India Limited (NSE)  
"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051

- Annual listing fee for the year 2012-13 has been duly paid by the Company to the BSE & NSE
- Stock Code:  
Stock Code-Bombay Stock Exchange – 533180  
Stock Code-National Stock Exchange – SGJHL
- ISIN No in NSDL & CDSL : INE 553K01019
- Corporate Identification Number: L36911WB2002PLC095086

#### Details of Unclaimed Shares pursuant to Clause 5A of the Listing Agreement

- i) 1268 Shares of ₹10/- each were allotted to 15 shareholders pursuant to Initial

Public Offer of the company were lying in the account of the company at the beginning of the year.

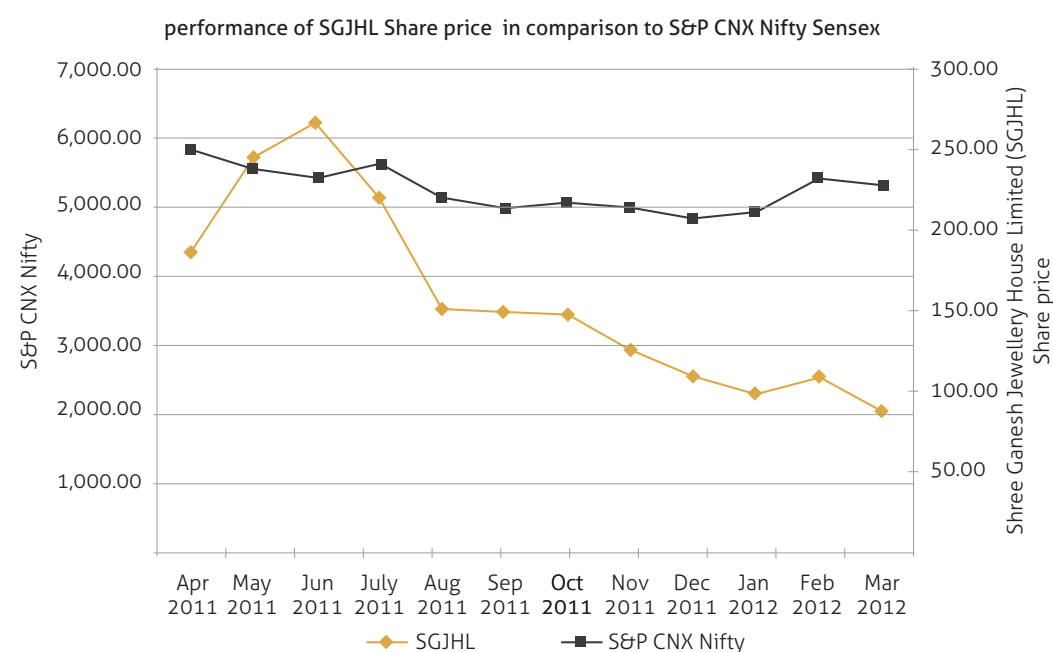
- ii) During the year, Company has received transfer request from 9 shareholders holding 808 shares in aggregate and the same has been duly transferred to them by the company.
- iii) 460 shares owned by 6 shareholders are still lying in the account of the company at the end of the year.

Voting rights in respect of the aforesaid shares, i.e., lying in the account of the company on March 31, 2012, will remain frozen till the time such shares are claimed by the concerned Shareholders

#### Market Price Data

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

Month	High Price	Low Price	Total Traded Quantity	NIFTY High	NIFTY Low
April '2011	219.80	153.50	4012112	5944.45	5693.25
May '2011	284.00	207.95	10334805	5775.25	5328.70
June '2011	286.90	245.60	3686745	5657.90	5195.90
July '2011	283.85	157.15	5240020	5740.40	5453.95
August '2011	184.85	117.20	1704743	5551.90	4720.00
September '2011	164.70	133.00	4261199	5169.25	4758.85
October '2011	159.85	136.60	2806588	5399.70	4728.30
November '2011	155.55	97.00	1497325	5326.45	4639.10
December '2011	133.50	85.20	1137953	5099.25	4531.15
January '2012	109.00	87.00	988281	5217.00	4588.05
February '2012	119.20	98.25	2449040	5629.95	5159.00
March '2012	106.70	68.50	5478605	5499.40	5135.95



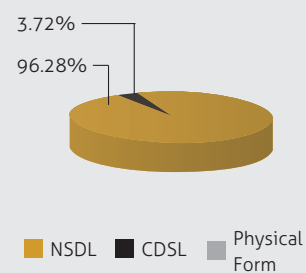
## 2. Bombay Stock Exchange Limited

Month	High Price	Low Price	Total Traded Quantity	NIFTY High	NIFTY Low
April 2011	219.80	154.00	2753460	19811.14	18976.19
May 2011	284.25	207.60	5559132	19253.87	17786.13
June 2011	286.00	245.00	2063412	18873.39	17314.38
July 2011	284.00	156.85	3646670	19131.70	18131.86
August 2011	184.40	117.20	956189	18440.07	15765.53
September 2011	164.85	131.55	2610535	17211.80	15801.01
October 2011	159.90	135.95	1761577	17908.13	15745.43
November 2011	155.40	103.50	1087919	17702.26	15478.69
December 2011	133.40	85.50	546351	17003.71	15135.86
January 2012	108.80	87.55	454691	17258.97	15358.02
February 2012	119.40	98.00	1312256	18523.78	17061.55
March 2012	106.50	69.10	1641615	18040.69	16920.61

## • Dematerialisation of Shares as on March 31, 2012:

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 ₹10 each	
	Number	% of Total
<b>Dematerialised Form</b>		
NSDL	58426557	96.28
CDSL	2255925	3.72
<b>Physical Form</b>	<b>3</b>	<b>0.00</b>
<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: sgjhlipo@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 March 31, 2012:

Slab of Shareholding	No. of Shareholders	%	No. of Shares	%
Upto 500	14366	90.75	1619039	2.67
501-1000	698	4.41	542725	0.89
1001- 2000	321	2.03	480556	0.79
2001-3000	117	0.74	293428	0.48
3001-4000	65	0.41	235276	0.39
4001-5000	51	0.32	235886	0.39
5001-10000	91	0.58	666871	1.10
10001 and above	121	0.76	56608704	93.29
<b>Total</b>	<b>15830</b>	<b>100.00</b>	<b>60682485</b>	<b>100.00</b>

## • Category of Shareholders as on March 31, 2012

Category	No. of Shares Held	% of shareholdings
<b>(A) Promoters &amp; Promoter Group</b>	<b>42,879,320</b>	<b>70.662</b>
<b>(B) Public Shareholding</b>		
<b>1. Institutions</b>		
Financial Institution/Banks	2550557	4.203
FIs	3958004	6.522
<b>2. Non-Institutions</b>		
Foreign Company	3200000	5.273
NRI, NRN & Foreign Nationals	458083	0.755
Bodies Corporate	3020465	4.977
Public & Others	4616056	7.608
<b>Total Public Shareholding (B)</b>	<b>17,803,165</b>	<b>29.338</b>
<b>Total (A) +(B)</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 Limited (*has become a Public Limited Company w.e.f. 08.05.2012*)
2. Sumit Jewels Private Limited
3. Gaja Finance Private Limited
4. Shree Ganesh Jewellery House (Singapore) Pte. Limited
5. Shree Ganesh Jewellery House FZE
6. Veeyu India Private Limited
7. Alex Mercury Power Private Limited

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 :**

1 Module GSW, 4SW, 3SE & GNE2,  
Manikanchan SEZ, SDF Building, Sector

V, Saltlake, Kolkata - 700 091

Phone: 033 2367 5490/91

2 Mouza Domjur  
Sasthitala, District Howrah - 711 405

3 Mondalpara Lane  
Mondalpara, Kolkata - 700 090

• **Address for Correspondence :**

The Company Secretary  
Shree Ganesh Jewellery House Limited  
Avani Signature, Block 402, 91A/1 Park Street, Kolkata-700 016  
Tel : 033 30259382 Fax: 033 40071624  
E-mail: investors@sgjhl.com

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: sgjhlipo@linkintime.co.in

For and on behalf of the Board of Directors

**Shree Ganesh Jewellery House Limited**

(Nilesh Parekh)

*Chairman*

25A Camac Street  
Kolkata- 700 016  
Dated: May 24, 2012

**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 March 31, 2012, 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.

**B. P Dhanuka**

*Practicing Company Secretary*

C P No. 6041, FCS 615

Place: Kolkata  
Date: May 24, 2012

**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, 2012 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, 2012 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 2011-12 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  
May 24, 2012

**Umesh Parekh**  
*Managing Director*

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

To  
The Shareholders  
**Shree Ganesh Jewellery House Limited**

**DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

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, 2012, 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  
May 24, 2012

**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 and hereinafter referred as "the company") as at 31st March 2012, the statement of Profit and Loss 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 (CARO) 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, the statement of Profit and Loss and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, statement of Profit and Loss and Cash flow statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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 31st March, 2012; and
    - ii. in the case of the statement of Profit and Loss, of the Profit 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*

Firm Registration No.: 307068E

**Pratik Niyogi**

*Partner*

Place: Kolkata

Date: 24th May 2012

Membership No.: 066514

## Annexure to auditors' Report

(Referred to in Paragraph 3 of our report)

- i. In respect of Fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - 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 fixed assets. No significant discrepancies were noticed on such verification.
  - No substantial part of the fixed assets of the company was disposed off during the year.
- ii. In respect of inventories:
- 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.
  - In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and no material discrepancies noticed on such physical verification.
- iii.
- The Company has granted loans to its subsidiary companies covered in register maintained under Section 301 of the companies Act, 1956. The maximum amount involved during the year and the year-end balance was ₹ 7,999.44 Lacs and ₹ 7,525.36 Lacs respectively.
  - In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to its subsidiary companies and listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
- According to the information and explanation given to us, loans granted and interest thereon recoverable on demand. There are no stipulations made for the recovery of the loan. Hence we cannot comment on the regularity of receipt of principal amounts and interest thereon.
  - There is no overdue amount outstanding at the end of the year in respect of the above said advance
  - 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 specialised requirements and suitable sources are not available to 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. In our opinion and according to the information and explanations given to us, there were no contracts or arrangements made with the parties which required to be covered in the registers maintained under section 301 of the companies Act, 1956.
- vi. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provision of the Act and rules framed there under.
- vii. In our opinion and according to information and explanations given to us, the company has adequate overall internal control system commensurate with its 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. Therefore this clause is not applicable.
- ix. In respect of Statutory dues:
- According to the information and explanations given to us and on the basis of

our examination of records of the company, in our opinion, the 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.

- 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 31st March 2012 for a period more than 6 months from the date they become payable,
- 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. Based on the information and explanations available, the following Sales Tax dues have not been deposited with the appropriate authorities on account of Dispute:

Sl. No.	Name of the Statute	Nature of dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
1.	West Bengal Sales Tax Act/Central Sales Tax Act	Claim of export rejected by Assessing Authority	₹ 318.50 Lacs	2006-07/ 2007-08	Revisional Board/ Joint Commissioner

- 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.
  - 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.
  - 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.
  - According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/society.
  - 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.
  - 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.
  - 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.
- 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 that funds raised on short term basis have not been used for long term investment.
  - 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
  - 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.
  - The Company has not raised any money by public issues during the year.
  - 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*

Firm Registration No.: 307068E

**Pratik Niyogi**

*Partner*

Place: Kolkata

Date: 24th May 2012

Membership No.: 066514

## Balance Sheet as at 31 March 2012

	Notes	₹ in Lakhs	
		As at 31 March 2012	As at 31 March 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	6,068.25	6,068.25
Reserves and surplus	4	126,433.13	101,306.37
		132,501.38	107,374.62
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	10,032.06	10,000.00
Long-term provisions	6	31.82	54.04
		10,063.88	10,054.04
<b>Current Liabilities</b>			
Short-term borrowings	7	65,625.77	44,971.26
Trade payable	8	172,452.91	77,993.15
Other current liabilities	9	3,395.38	1,644.66
Short-term provisions	10	6,848.58	2,132.68
		248,322.64	126,741.75
		<b>390,887.90</b>	<b>244,170.41</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	11	17,081.00	9,630.20
Intangible assets	11	6.47	8.53
Capital work in progress		1,632.45	2,118.58
		18,719.92	11,757.31
Non-current investment	12	4,480.44	1,186.89
Deferred tax asset (net)	13	687.38	817.14
Long term loans and advances	14	10,248.66	880.69
		15,416.48	2,884.72
<b>Current Assets</b>			
Current investment	15	1,345.98	12,615.76
Inventories	16	51,485.31	34,309.85
Trade receivables	17	211,467.61	112,499.31
Cash and cash equivalents	18	82,283.58	64,316.38
Short term loans and advances	19	8,634.99	3,835.06
Other current assets	20	1,534.03	1,952.02
		356,751.50	229,528.38
		<b>390,887.90</b>	<b>244,170.41</b>
<b>Summary of Significant Accounting Policies</b>	2		

The notes referred to above form an integral part of the financial statements

As per our report attached

For **Chaturvedi & Partners** For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No: 307068E

<b>Pratik Niyogi</b> Partner Membership No. : 066514	<b>Nilesh Parekh</b> Chairman	<b>Umesh Parekh</b> Managing Director	<b>Mukund Chandak</b> Company Secretary
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Place: Kolkata

Date: 24th May 2012

## Statement of Profit and Loss for the year ended 31 March 2012

	Notes	₹ in Lakhs	
		Year ended 31 March 2012	Year ended 31 March 2011
<b>INCOME</b>			
Revenue from operations	21	659,361.26	524,315.28
Other income	22	15,827.25	6,415.56
		<b>675,188.51</b>	<b>530,730.84</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	486,396.55	388,327.64
Purchases of stock-in-trade	24	151,188.47	111,664.15
Changes in inventories of work-in-progress, finished goods and stock-in-trade	25	(19,770.36)	(13,020.95)
Employee benefits expense	26	2,517.62	2,471.19
Finance cost	27	20,423.97	11,769.05
Depreciation and amortisation expense	11	2,239.10	597.63
Other expenses	28	2,463.04	2,317.55
		<b>645,458.39</b>	<b>504,126.26</b>
<b>Profit Before Tax</b>		29,730.12	26,604.58
<b>Tax Expense</b>			
Current tax [Includes MAT ₹ 5,975 (PY Nil)]		5,975.00	338.00
Less: Mat credit entitlement		(5,733.00)	-
Net current tax		242.00	338.00
Excess provision for tax for earlier year		-	(60.08)
Deferred tax charge / (release)	13	129.76	(58.16)
<b>Profit For The Year</b>		<b>29,358.36</b>	<b>26,384.82</b>
<b>Basic and diluted earnings per share</b>	31	48.38	43.55
<b>Summary of Significant Accounting Policies</b>	2		

The notes referred to above form an integral part of the financial statements

As per our report attached

For **Chaturvedi & Partners** For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No: 307068E

<b>Pratik Niyogi</b> Partner Membership No. : 066514	<b>Nilesh Parekh</b> Chairman	<b>Umesh Parekh</b> Managing Director	<b>Mukund Chandak</b> Company Secretary
--	----------------------------------	--	--

Place: Kolkata

Date: 24th May 2012

## Cash Flow Statement for the year ended 31 March 2012

(₹ in Lakhs)

	31 March 2012	31 March 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	29,730.12	26,604.58
Adjusted for :		
Depreciation /Amortisation	2,239.10	597.63
Unrealised foreign exchange loss / (gain) (net)	(13,928.55)	2,520.41
Dividend Income	(13.78)	(320.18)
Interest expense	20,423.97	11,769.05
Interest Income	(7,774.18)	(4,935.94)
Miscellaneous provision written back	(45.67)	900.91
	900.91	9,630.97
	30,631.03	36,235.55
<b>Operating profit before working capital changes</b>		
Changes in:		
Trade and other receivables	(82,352.34)	(52,475.30)
Inventories	(17,175.46)	(15,243.56)
Trade payables / other liabilities	92,183.78	(7,344.02)
	(7,344.02)	(54,170.14)
<b>Cash generated from operations</b>	23,287.01	(17,934.59)
Direct taxes (paid)/refund (net)	(3,380.63)	(322.89)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>19,906.38</b>	<b>(18,257.47)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(9,201.72)	(10,797.77)
Dividend Income	13.78	320.18
Investment in subsidiaries and others	(3,293.55)	(642.84)
Investment in fixed deposit	9,941.57	(11,285.90)
Investment in mutual fund	1,328.22	(1,329.86)
Loans (Given)/Realisation(net)	(6,863.98)	(98.35)
Interest income on fixed deposits and mutual funds	695.91	790.01
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(7,379.77)</b>	<b>(23,044.53)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from :		
Short Term Borrowings	464,784.70	132,442.93
Long Term Borrowings	32.06	464,816.76
	464,816.76	10,000.00
		142,442.93
Repayment of:		
Short Term Borrowings	(444,583.43)	(121,437.57)
Long Term Borrowings	–	(444,583.43)
		–
		(121,437.57)
Interest paid	(20,468.54)	(11,852.41)
Interest received	7,496.26	2,589.98
Dividend Paid	(1,820.46)	(3,538.05)
Money raised through Initial public offering	–	31,554.89
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>5,440.59</b>	<b>39,759.77</b>
<b>(DECREASE) / INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>17,967.20</b>	<b>(1,542.23)</b>
Opening cash and cash equivalents	64,316.38	65,858.62
Closing cash and cash equivalents	82,283.58	64,316.38
<b>Note</b>		
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		
1. Cash in hand	66.89	44.51
Balances with scheduled banks		
– Current account	3,196.95	2,833.05
[Excluding unrealised foreign exchange gain of ₹ 4.08 ( previous year loss ₹ 4.18)]		
– Deposit account *	79,019.74	61,438.82
<b>Total</b>	<b>82,283.58</b>	<b>64,316.38</b>

- \* Includes ₹ 79,019.74 (Previous year ₹ 61,438.82) 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  
Firm Registration No: 307068E

For and on behalf of the Board of Directors

**Pratik Niyogi**  
Partner  
Membership No. : 066514

**Nilesh Parekh**  
Chairman

**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

Place: Kolkata  
Date: 24th May 2012

## Notes to Financial Statements

### Note 1 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 ₹ 10 each at ₹260 each (including a securities premium of ₹ 250 each) and got listed on National Stock Exchange and Bombay Stock Exchange.

### Note 2 SUMMARY OF 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) Presentation and disclosure of financial statements

During the year end 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with requirements applicable in the current year.

#### 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.

#### 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 ₹ 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. Short term investments are valued at cost or net realisable value whichever is lower.

#### 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.



## Notes to Financial Statements

### Note 2 SUMMARY OF 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.

#### 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 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.

#### 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.

Translation of integral and non integral foreign operation

The company classifies all its foreign operations as either "integral foreign operations" or "non integral foreign operations".

## Notes to Financial Statements

### Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd.)

The financial statements of an integral foreign operation are translated as if the translations of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange difference arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.

#### 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 2014 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.

## Notes to Financial Statements

	(₹ in Lakhs)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
70,000,000 (Previous Year - 70,000,000) Equity Shares of ₹ 10 each	7,000.00	7,000.00
2,666,667 (Previous year - 2,666,667) 0.0001 % Cumulative Convertible Preference Shares of ₹ 300/- each.	8,000.00	8,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and fully Paid up shares</b>		
60,682,485 (Previous Year - 60,682,485) Equity Shares of ₹ 10 each fully paid up (of the above share 36,048,144 equity share of ₹ 10 each are allotted fully paid up by way of bonus shares in the year 2009-10)	6,068.25	6,068.25
	<b>6,068.25</b>	<b>6,068.25</b>

The Company has made an Initial Public Offer (IPO) to issue 12,136,497 Equity Shares of ₹ 10 each at ₹ 260 each (includes securities premium of ₹ 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 ₹ 31,554.89, apart from meeting the IPO expenses of ₹ 2,332.34, the Company has utilised the proceeds of the issue amounting to ₹ 27,877.02 (P.Y. ₹ 166,06.79) 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 2012. The unutilised fund of the issue amounting to ₹ 1,345.98 (P.Y. ₹ 12,615.76) has been temporarily invested in interest bearing liquid instruments including deposit with banks and investment in mutual funds.

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

	31 March 2012		31 March 2011	
	No.	Amount	No.	Amount
At the beginning of the year	60,682,485	6,068.25	48,545,988	4,854.60
Add : Issued during the year-Initial public offering	-	-	12,136,497	1,213.65
Outstanding at the end of the year	60,682,485	6,068.25	60,682,485	6,068.25

**b. Terms / rights attached to equity shares**

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each holder of equity shares is entitled to one vote per Share. The Company declares and pay dividends in Indian Rupees. The Dividend Proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, The Board has recommended a Final Dividend of ₹ 6 (60% of the paid up equity share capital of the Company) per equity share of face value ₹ 10 each.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**c. 70.66% of equity shares of the Company are held by the promoter group of the Company.**

**d. Details of shareholders holding more than 5% of total shares of the Company**

	31 March 2012		31 March 2011	
	No.	% holding	No.	% holding
Umesh Parekh	9,475,300	15.61%	9,475,300	15.61%
Kamlesh Shailendra Parekh	9,085,100	14.97%	9,085,100	14.97%
Nilesh Parekh	8,891,200	14.65%	8,891,200	14.65%
Umesh Parekh HUF	5,582,000	9.20%	5,582,000	9.20%
Nilesh Parekh HUF	3,646,880	6.01%	3,646,880	6.01%
Credit Suisse Pe Asia Investments (Mauritius) Limited	3,200,000	5.27%	3,200,000	5.27%
Kumud Parekh	3,194,240	5.26%	3,194,240	5.26%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

## Notes to Financial Statements

	(₹ in Lakhs)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 4 RESERVES AND SURPLUS</b>		
<b>Amalgamation reserve</b>	325.59	325.59
<b>Securities premium account</b>		
At the commencement of the year	36,054.61	5,698.58
<b>Additions during the period:</b>		
– on Initial Public Offering of equity shares [refer clause (a) of note 3]	-	30,341.24
– Reversal of share issue expenses [net of deferred tax ₹ nil (Previous Year ₹ 5.10)]	-	14.79
Balance at the end of the year	36,054.61	36,054.61
<b>General reserve</b>		
At the commencement of the year	4,350.18	1,711.70
Add: Transfer from statement of Profit and loss	2,935.84	2,638.48
Balance at the end of the year	7,286.02	4,350.18
<b>Surplus / (deficit) in the statement of Profit and Loss</b>		
At the commencement of the year	60,575.99	41,075.31
Profit for the year	29,358.36	26,384.82
<b>Less: Appropriations</b>		
Proposed Equity Dividend	3,640.95	3,640.94
Dividend Tax	590.65	604.72
Transfer to Debenture redemption reserve	2,500.00	-
Transfer to General Reserve	2,935.84	2,638.48
Balance at the end of the year	80,266.91	60,575.99
<b>Debenture Redemption Reserve</b>		
Transfer from profit and loss account	2,500.00	-
	<b>126,433.13</b>	<b>101,306.37</b>

**Note 5 LONG TERM BORROWINGS**

	31 March 2012	31 March 2011
<b>Secured</b>		
– 11% Non convertible debenture *	10,000.00	10,000.00
– Vehicle loan **	32.06	-
	<b>10,032.06</b>	<b>10,000.00</b>

\* Debentures are due for repayment at the end of 3rd, 4th and 5th year in the ratio of 30:35:35 from the date of allotment, viz, 20/12/2010 and 03/11/2010, ₹ 5,000 each. These are 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.

\*\* Secured by hypothecation of the vehicles purchased from the proceeds of the loan.

**Note 6 LONG TERM PROVISIONS**

	31 March 2012	31 March 2011
Employee benefits (Refer note 38)	31.82	54.04
	<b>31.82</b>	<b>54.04</b>

**Note 7 SHORT TERM BORROWING**

	31 March 2012	31 March 2011
<b>Secured loans</b>		
<b>From Banks</b>		
– Cash credit from banks*	30,061.57	6,550.63
– Bank overdraft **	2,408.50	-
– Post Shipment Credit***	6,155.70	2,407.58
– Buyers credit**	-	18,013.05
<b>From other financial institutions</b>		
– Other short term loan ****	15,000.00	7,000.00
<b>Unsecured loan</b>		
– From banks & other financial institutions	12,000.00	11,000.00
	<b>65,625.77</b>	<b>44,971.26</b>

\* Secured by way of first charge on current assets of the Company, both present and future, excluding assets having specific charge of respective financing banks, and second charge on fixed assets, both current and future. Irrevocable and unconditional personal guarantee of the Promotor Directors.

\*\* Secured by way of lien on fixed deposits.

\*\*\* First charge on export bills discounted under confirmed orders & bills purchased under confirmed orders by banks. Also secured by way of margin money and first charge on the current assets of the Company, both present and future, and second charge on fixed assets of the Company, both present and future. Irrevocable and unconditional personal guarantee of the Promotor Directors.

\*\*\*\*Secured by way of margin money and first charge on current assets of the Company, both present and future, excluding assets having specific charge of respective financing banks, and second charge on fixed assets of the Company, both present and future. Irrevocable and unconditional personal guarantee of the Promotor Director.

## Notes to Financial Statements

(₹ in Lakhs)

	As at 31 March 2012	As at 31 March 2011
<b>Note 8</b>		
<b>Trade Payable</b>	172,452.91	77,993.15
<b>Note 9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt	15.96	-
Interest accrued but not due on borrowings	160.67	205.24
Unpaid dividends	6.09	6.08
Temporary book overdrafts	49.10	-
Foreign currency payable	-	492.08
Advance received from customers	438.27	169.72
Statutory liability	55.16	299.82
Other payables *	2,670.13	471.72
	<b>3,395.38</b>	<b>1,644.66</b>
* Other payables includes liabilities for purchase of assets, employee benefit expenses and miscellaneous		
<b>Note 10 SHORT TERM PROVISIONS</b>		
Employee benefits (Refer note 38)	11.42	9.85
Proposed dividend	3,640.95	1,820.47
Tax on proposed dividend	590.65	302.36
Provision for taxation (net of advance tax ₹ 4,237.91)	2,605.56	-
	<b>6,848.58</b>	<b>2,132.68</b>

## Note 11 FIXED ASSETS

Description	Gross Block			Depreciation/ Amortisation				Net Block		
	As at 01.04.11	Additions	Deduction	As at 31.03.12	As at 01.04.11	For the year	Deductions Adjustments	As at 31.03.12	As at 31.03.12	As at 31.03.11
<b>Tangible Assets</b>										
Freehold Land	210.86	-	-	210.86	-	-	-	-	210.86	210.86
<b>Buildings</b>										
- Freehold	1,185.74	2,633.41	-	3,819.15	166.07	261.09	-	427.16	3,391.99	1,019.67
- Leasehold (refer note below)	391.70	-	-	391.70	89.06	15.17	-	104.23	287.47	302.64
<b>Plant &amp; Equipment</b>										
Plant & Equipment	7,823.25	5,919.77	4.15	13,738.87	358.48	1,741.17	0.77	2,098.88	11,639.99	7,464.77
Furniture, Fixtures	621.06	713.72	-	1,334.78	181.36	99.18	-	280.54	1,054.24	439.70
Office Equipments	57.66	12.10	-	69.76	20.82	7.88	-	28.70	41.06	36.84
Computers & related equipments	147.64	54.31	-	201.95	87.61	31.86	-	119.47	82.48	60.03
Vehicles	206.13	356.55	-	562.68	110.44	79.33	-	189.77	372.91	95.69
<b>Total</b>	<b>10,644.04</b>	<b>9,689.86</b>	<b>4.15</b>	<b>20,329.75</b>	<b>1,013.84</b>	<b>2,235.68</b>	<b>0.77</b>	<b>3,248.75</b>	<b>17,081.00</b>	<b>9,630.20</b>
<b>Intangible Assets</b>										
Goodwill	287.86	-	287.86	-	287.86	-	287.86	-	-	-
Computer Software	18.21	1.37	-	19.58	9.68	3.43	-	13.11	6.47	8.53
<b>Total</b>	<b>306.07</b>	<b>1.37</b>	<b>287.86</b>	<b>19.58</b>	<b>297.54</b>	<b>3.43</b>	<b>287.86</b>	<b>13.11</b>	<b>6.47</b>	<b>8.53</b>
Previous Year										
Tangible Assets	2,378.62	8,553.29	-	10,931.91	709.68	592.04	-	1,301.72	9,630.20	
Intangible Assets	18.21	-	-	18.21	4.09	5.59	-	9.68	8.53	

(a) Includes gross block ₹ 201.92 (Previous Year ₹ 201.92), accumulated depreciation ₹ 53.51 (Previous Year ₹ 45.68) and written down value ₹ 148.41 (Previous Year ₹ 156.24), jointly held with others.

(b) Includes gross block ₹ 102.93 (Previous Year ₹ 162.84) and accumulated depreciation ₹ 25.28 (Previous Year ₹ 31.20), that are yet to be registered in the name of the Company.

## Notes to Financial Statements

(₹ in Lakhs)

	As at 31 March 2012	As at 31 March 2011				
<b>Note 12 NON-CURRENT INVESTMENTS</b>						
	No. of Shares 31.03.12	No. of Shares 31.03.11	Currency	Face Value per share		
Unquoted-at cost						
<b>Investment in equity instruments (fully paid)</b>						
<b>Shares in Subsidiary Companies</b>						
Alex Mercury Power Private Limited	10,000	1,900	INR	10	1.00	0.19
Easy Fit Jewellery Private Limited	2,471,500	2,471,500	INR	10	512.83	512.83
Gaja Finance Private Limited	2,250,000	2,250,000	INR	10	225.00	225.00
Gokul Jewellery House Private Limited	282,500	282,500	INR	10	28.48	28.48
Oroitalia Chains Private Limited	5,000	-	INR	10	0.50	-
Sumit Jewels Private Limited	362	362	INR	1,000	117.65	117.65
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	10,000	10,000	SGD	1	2.74	2.74
Shree Ganesh Jewellery House FZE	1	1	AED	100,000	12.41	12.41
Veeyu India Private Limited	384,095	-	INR	10	92.11	-
					992.72	899.30
<b>Equity Shares (fully paid up)</b>						
Damgan Retail Jewellery Private Limited	3,300	3,300	INR	10	0.33	0.33
Less: Provision for diminution in value of investments					0.33	0.33
<b>Share Application Money</b>					-	-
Shree Ganesh Jewellery House FZE					3,287.62	287.59
Veeyu India Private Limited					200.10	-
					3,487.72	287.59
					4,480.44	1,186.89

## Note 13 DEFERRED TAX ASSETS

<b>Deferred tax</b>		
Deferred tax asset (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	14.59	21.92
(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	127.83	135.62
Other timing differences	544.96	659.60
<b>Deferred tax asset (net)</b>	<b>687.38</b>	<b>817.14</b>

## Note 14 LONG TERM LOANS AND ADVANCES

<b>Unsecured and considered good</b>		
Capital advances	45.23	184.26
Loan to related parties * (Refer note 42)	3,600.00	-
MAT Credit Entitlement	5,733.00	-
Security deposit	870.43	696.43
	<b>10,248.66</b>	<b>880.69</b>

\* Comprises of Intercompany deposit given to Alex Mercury Power Private Limited repayable after 7 years from the date of payment

## Note 15 CURRENT INVESTMENTS\*

(Short term, other than trade, valued at cost)		
Investments in mutual fund	1.65	1,329.86
Fixed Deposits	1,344.33	11,285.90
	1,345.98	12,615.76

\* Refer note 3

## Notes to Financial Statements

	(₹ in Lakhs)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 16 INVENTORIES</b>		
(At lower of cost and net realisable value)		
Raw materials and stones		
(includes goods in transit ₹ Nil (Previous year ₹ 416.22) (Refer note no 33))	1,513.79	4,964.21
Work-in-progress *	13,805.62	11,169.85
Finished goods		
(includes goods in transit ₹ 2,664.60 (Previous year ₹ 22.09)) (refer note 33)	34,828.32	17,693.73
Stock in trade	1,337.58	482.06
	<b>51,485.31</b>	<b>34,309.85</b>

\* Include stock lying with third parties ₹ 10,348.26 (Previous year ₹ 9,254.92). Closing stock excludes stock provided by third parties amounting to ₹ 214.62 (Previous Year ₹ 241.84) as at the year end.

<b>Note 17 TRADE RECEIVABLES (Unsecured)</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment		
– considered good	905.13	209.30
– considered doubtful	393.98	408.28
	1,299.11	617.58
Less: Provision for doubtful debts	393.98	408.28
	905.13	209.30
Other debts - considered good	210,562.48	112,290.01
	<b>211,467.61</b>	<b>112,499.31</b>

<b>Note 18 CASH AND CASH EQUIVALENTS</b>		
<b>Cash on hand</b>	66.89	44.51
Balances with bank		
– on current accounts		
(including unrealised exchange gain of ₹ 4.08 (Previous Year loss ₹ 4.18))	3,190.86	2,826.97
–on unpaid dividend account	6.09	6.08
Other bank balances		
– on bank deposits *	79,019.74	61,438.82
	<b>82,283.58</b>	<b>64,316.38</b>

\* bank deposit are held as margin money against various secured short term borrowing.

<b>Note 19 SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)</b>		
Loans to related parties (Refer note 42)	3,925.36	661.38
Income tax [net of provision for income tax ₹ nil (previous year ₹ 881.93)]	–	284.14
Foreign Currency Receivable	157.77	–
Other loan and advances	4,551.86	2,889.54
	<b>8,634.99</b>	<b>3,835.06</b>

<b>Note :</b>		
(a) Loans to related parties		
Shree Ganesh Jewellery House (Singapore) Pte Ltd	14.68	8.65
Gokul Jewellery House Private Limited	612.51	442.47
Sumit Jewels Private Limited	332.30	101.23
Gaja Finance Private Limited	–	109.03
Easy Fit Jewellery Private Limited	2,033.62	–
Alex Mercury Power Private Limited	549.70	–
Alex Spectrum Radiation Pvt. Ltd.	104.12	–
Shree Ganesh Jewellery House Ltd.FZE(Dubai)	3.38	–
Veeyu India Pvt. Ltd.	275.05	–
	<b>3,925.36</b>	<b>661.38</b>

<b>Note 20 OTHER CURRENT ASSETS</b>		
Interest accrued but not due on deposits and loans given	1,534.03	1,952.02

## Notes to Financial Statements

	(₹ in Lakhs)	
	Year ended 31 March 2012	Year ended 31 March 2011
<b>Note 21 REVENUE FROM OPERATIONS</b>		
Sale of Products (Refer note 32)	659,146.65	524,074.09
Sale of Services:		
– Job work charges	199.74	219.78
Other operating revenue	14.87	21.41
	<b>659,361.26</b>	<b>524,315.28</b>

<b>Note 22 OTHER INCOME</b>		
Interest income	7,774.18	4,935.94
Gain on foreign exchange fluctuation (net)	7,963.42	1,102.78
Dividend Income	13.78	320.18
Miscellaneous Income	75.87	56.66
	<b>15,827.25</b>	<b>6,415.56</b>

<b>Note 23 COST OF MATERIALS CONSUMED*</b>		
Opening stock	5,446.27	3,223.66
Add: Purchases	483,801.65	390,550.25
Less :Closing stock	2,851.37	5,446.27
	<b>486,396.55</b>	<b>388,327.64</b>

\* Refer note 34

<b>Note 24 PURCHASES OF STOCK-IN-TRADE</b>		
Gold Jewellery and articles	95,233.50	48,600.61
Precious/Semi precious stones	55,954.97	63,063.54
	<b>151,188.47</b>	<b>111,664.15</b>

<b>Note 25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE</b>		
<b>Closing Stock</b>		
– Work In Progress	13,805.62	11,169.85
– Finished Goods	34,828.32	17,693.73
Less :		
Opening Stock		
– Work In Progress	11,169.85	5,294.29
– Finished Goods	17,693.73	10,548.34
	<b>19,770.36</b>	<b>13,020.95</b>

<b>Note 26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	1,541.29	1,208.27
Contribution to provident fund	25.50	7.94
Staff welfare expense	54.46	18.72
Directors Remuneration	896.37	1,236.26
	<b>2,517.62</b>	<b>2,471.19</b>

<b>Note 27 FINANCE COST</b>		
Interest expense	18,320.50	10,790.19
Other borrowing costs	2,103.47	978.86
	<b>20,423.97</b>	<b>11,769.05</b>

<b>Note 28 OTHER EXPENSES</b>		
Alloys and consumables consumed	10.09	46.20
Power and fuel	88.97	49.21
Rent (refer Note 45)	182.92	129.51
Repairs & maintenance		
– Building	21.84	23.14
– Machinery	2.98	2.92
– Others	16.58	12.13
Insurance	103.84	83.98
Rates and taxes	12.34	29.21
Sales promotion expenses	270.02	451.75
Legal and consultancy charges	226.67	573.27
Job work charges	126.72	184.14
Auditor remuneration (Refer note 41)	16.02	15.78
Travelling expense	308.89	221.21
Miscellaneous expenses	1,075.16	495.10
	<b>2,463.04</b>	<b>2,317.55</b>

## Notes to Financial Statements

	(₹ in Lakhs)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 29</b>		
Estimated Capital Commitments not provided for (Net of Advance)	894.03	1,289.60
Other Commitments		
Bank guarantee	35.10	-

### Note 30 CONTINGENT LIABILITIES

	(₹ in Lakhs)	
	Year ended 31 March 2012	Year ended 31 March 2011
i. Corporate Guarantees given		
– on behalf of subsidiaries	8,600.00	7,100.00
– on behalf of other group companies	35,288.00	2,228.50
ii. Bills Discounted	115,450.17	93,912.85
iii. Claims against the Company in respect of Sales Tax matters not acknowledged as debts	318.51	383.25

### Note 31 BASIC AND DILUTED EARNINGS PER SHARE

<b>(a) Calculation of weighted average number of equity shares of ₹ 10 each for basic earning per share.</b>		
Number of equity shares at the beginning of the year	60,682,485	48,545,988
Fresh issue of Equity shares through Initial Public offering	-	12,036,745
Weighted average number of equity shares outstanding during the year for basic EPS	60,682,485	60,582,733
<b>(b) Net profit attributable to equity shareholders</b>	<b>29,358.36</b>	<b>26,384.82</b>
<b>(c) Basic and Diluted earnings per equity share (₹)</b>	<b>48.38</b>	<b>43.55</b>
<b>(Face value per Equity Share of ₹ 10 each)</b>		

60,682,485 (Previous Year 48,545,988) equity shares outstanding for 365 days including:

-12,136,497 Equity Shares issued during the year 2010-11 through Initial Public offering outstanding for 362 days in Previous years

### Note 32 DETAILS OF PRODUCT SOLD

<b>Finished Goods Sold</b>		
– Gold Jewellery & Article	383,850.91	303,672.54
– Other Gold Articles	44,810.17	41,678.92
– Precious / Semi precious stones	78,191.32	64,859.39
	<b>506,852.40</b>	<b>410,210.85</b>
<b>Stock-in-trade</b>		
– Gold Jewellery & Article	96,063.86	50,665.63
– Precious / Semi precious stones	56,230.39	63,197.61
	<b>152,294.25</b>	<b>113,863.24</b>

### Note 33 DETAILS OF INVENTORIES

<b>Raw Material and Component</b>		
– Gold Bar	737.94	3,589.34
– Precious/Semi precious stones	775.85	1,374.87
	<b>1,513.79</b>	<b>4,964.21</b>
<b>Work in Progress</b>		
– Gold Jewellery	13,805.62	11,169.85
<b>Finished Goods</b>		
– Gold Jewellery and articles	30,270.34	14,274.70
– Other Gold Articles	571.34	1,155.78
– Precious/Semi precious stones	3,986.64	2,263.25
	<b>34,828.32</b>	<b>17,693.73</b>
<b>Stock-in-trade</b>		
– Gold Bar	1,337.58	482.06

### Note 34 DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED

Gold Bar	422,458.29	334,049.63
Precious/Semi precious stones	63,938.26	54,278.01
	<b>486,396.55</b>	<b>388,327.64</b>

## Notes to Financial Statements

### Note 35 DETAILS OF IMPORTED AND INDIGENOUS RAW MATERIALS AND STONES CONSUMED.

	Year ended 31 March 2012		Year ended 31 March 2011	
	Value	Percentage	Value	Percentage
<b>Raw Materials and stones</b>				
Imported	436,766.22	89.80%	334,086.99	86.03%
Indigenous	49,630.33	10.20%	54,240.65	13.97%
<b>Total</b>	<b>486,396.55</b>	<b>100.00%</b>	<b>388,327.64</b>	<b>100.00%</b>

	(₹ in Lakhs)	
	Year ended 31 March 2012	Year ended 31 March 2011
<b>Note 36 VALUE OF IMPORTS ON CIF BASIS</b>		
Raw materials (including goods in transit)	480,712.11	333,826.54
Capital goods	5,853.78	8,839.26

### Note 37 EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

(a) Expenditure in foreign currency foreign travel	64.56	41.17
(b) Interest expenditure in foreign currency	385.80	271.67
(c) Earnings in foreign currency Exports on FOB basis	525,714.64	462,884.83

### Note 38 THE DETAILS OF EMPLOYEE BENEFITS FOR THE YEAR ON ACCOUNT OF GRATUITY WHICH IS UNFUNDED DEFINED EMPLOYEE BENEFIT PLAN IS AS UNDER.

(i) Particulars	Gratuity- Unfunded	Gratuity- Unfunded
<b>(a) Component of Employer Expense</b>		
Current service cost	14.16	18.61
Interest cost	4.69	2.05
Actuarial (Gains) / Losses	(40.14)	10.75
<b>Total Expenses recognised in the Statement of Profit &amp; Loss Account</b>	<b>(21.29)</b>	<b>31.41</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	54.49	23.08
Current service cost	14.16	18.61
Interest cost	4.69	2.05
Actuarial (Gains) / Losses	(40.14)	10.75
Benefits Payments	-	-
<b>Present Value of DBO at the year end</b>	<b>33.20</b>	<b>54.49</b>
Current liability	1.38	0.45
Non current liability	31.82	54.04
	<b>33.20</b>	<b>54.49</b>
Actuarial Assumptions		
Discount Rate	8.60%	8.90%

The Gratuity expenses have been recognised as 'Employee benefit expense' under Note 26.

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.

### Note 39 THE COMPANY HAS ENTERED INTO THE FOLLOWING FORWARD CONTRACTS WHICH ARE OUTSTANDING ON BALANCE SHEET DATE:

Nature of contract	Currency	Year ended 31 March 2012		Year ended 31 March 2011	
		Number of contract	Foreign currency amount	Number of contract	Foreign currency amount
Forward contract buy	USD	16	410.98	21	679.15
Forward contract sale	USD	7	118.06	12	160.84

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 Financial Statements

	Year ended 31 March 2012	Year ended 31 March 2011
<b>Note 40 FOREIGN CURRENCY EXPOSURE NOT HEDGED BY DERIVATIVE INSTRUMENTS OR FORWARD COVER AS ON BALANCE SHEET DATE ARE AS FOLLOWS:</b>		
		(₹ in Lakhs)
Debtors	4,052.50	2,688.58
Creditors	2,804.98	1,612.81
<b>Note 41 AUDITOR'S REMUNERATION INCLUDES</b>		
– As auditor	12.00	12.00
– For taxation matter	1.50	-
– For other services	2.52	3.78
	<b>16.02</b>	<b>15.78</b>

**Note 42 RELATED PARTIES DISCLOSURE IN ACCORDANCE WITH AS - 18 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006**

	2011-2012	2010-2011
(i) Enterprises directly / indirectly are under common control with the Company	(a) Swastik Wheat Product Agencies Private Limited (b) Gokul Jewellery House Private Limited (c) Shree Ganesh Jewellery House FZE (d) Shree Ganesh Jewellery House (Singapore) Pte. Ltd. (e) Easy fit Jewellery Private Limited (f) Sumit Jewels Private Limited (g) Gaja Finance Private Limited (h) Alex Mercury Power Private Limited (i) Alex Spectrum Radiation Pvt. Ltd. (j) Veeyu India Pvt. Ltd. (k) Oroitalia Chains Private Limited	(a) Swastik Wheat Product Agencies Private Limited (b) Gokul Jewellery House Private Limited (c) Shree Ganesh Jewellery House FZE (d) Shree Ganesh Jewellery House (Singapore) Pte. Ltd. (e) Easy fit Jewellery Private Limited (f) Sumit Jewels Private Limited (g) Gaja Finance Private Limited
(ii) Individuals owning (directly / indirectly) an interest in the voting power of the Company that gives them contro or significant influence (also the key management personnel)	(a) Mr. Nilesh Parekh - Chairman (b) Mr. Umesh Parekh - Managing Director	(a) Mr. Nilesh Parekh - Chairman (b) Mr. Umesh Parekh - Managing Director
(iii) 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 (b) Safal Properties Private Limited (c) Dhanteres Estates Pvt. Ltd.	(a) Kalindi Enclave Pvt Ltd (b) Safal Properties Private Limited (c) Alex Mercury Power Private Limited

## Notes to Financial Statements

**Note 42 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 2012**

Name of the party (Nature or the relationship)	Investment	Rent expense	Rent Income	Transfer of Assets	Remuneration including commission on profit	Loan given	Repayment of Loan Given	Interest received/ Receivable during the year	Loans Outstandings 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	-	6.00	-	-	-	6.03	-	-	14.68	-
Shree Ganesh Jewellery House (Singapore) Pte Ltd	-	-	-	-	-	5,261.50	3,332.00	115.69	2,033.62	-
Easy Fit Jewellery Private Limited	-	-	-	-	-	323.00	197.20	49.16	612.51	-
Gokul Jewellery House Private Limited	-	-	-	-	-	119.80	50.00	5.96	275.05	4.02
Veeyu India Pvt. Ltd.	292.21	-	4.47	-	-	3,971.60	-	197.89	4,149.70	-
Alex Mercury Power Private Limited	0.81	-	-	-	-	195.63	92.70	1.32	104.12	-
Alex Spectrum radiation Pvt. Ltd.	-	-	-	3.38	-	-	-	-	3.38	-
Shree Ganesh Jewellery House FZE	3,000.02	-	-	-	-	244.97	35.00	23.45	332.30	-
Sumit Jewels Pvt Ltd	-	-	-	-	-	36.52	145.87	0.35	-	-
Gaja Finance Pvt Ltd	-	-	-	-	-	-	-	-	-	-
(ii) Enterprises directly / indirectly are common control with the Company under Joint Venture										
Oroitalia Chains Pvt Ltd.	0.50	-	-	-	-	-	-	-	-	-
(iii) Individuals owning (directly / indirectly) an interest in the voting power of the Company (also the key management personnel)										
Mr. Nilesh Parekh	-	-	-	-	446.83	-	-	-	-	(145.31)
Mr. Umesh Parekh	-	-	-	-	446.83	-	-	-	-	(145.31)
(iv) Enterprise over which persons mention in (iii) are able to exercise significant influence										
Kalindi Enclave Private Limited	-	6.00	-	-	-	-	-	-	-	-
Safal Properties Private Limited	-	75.09	-	-	-	-	-	-	-	-
Dhanteres Estates Pvt. Ltd.	-	0.11	-	-	-	-	-	-	-	0.11
<b>Total</b>	<b>3,293.54</b>	<b>87.20</b>	<b>4.47</b>	<b>3.38</b>	<b>893.66</b>	<b>10,159.05</b>	<b>3,852.77</b>	<b>393.82</b>	<b>7,525.36</b>	<b>(286.49)</b>

## Notes to Financial Statements

Note 42 (Contd.)

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 2011 (Contd.)

Name of the party (Nature or the relationship)	Sale of goods	Purchase of goods	Security Deposits/ Advances	Investment	Rent expense	Job work charges	Remuneration including commi- ssion on profit	Loan given	Repayment of Loan Given	Interest received/ Receivable during the year	Loans Outstandings/ receivable/ (payable) as at the year end	Receivable/ (payable) at year end
												(₹ in Lakhs)
(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. Nilesh 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	-	-	-	-	-	-	-	-	-	-	-	-
Total	291.86	8.98	2.50	642.65	79.00	9.63	1,233.26	5,297.12	5,252.32	61.98	661.38	(31.50)

## Notes to Financial Statements

Note 43

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 2012		
	Domestic	Export	Total
<b>1. Segment revenue</b>			
External sales	133,432.01 [ 61,189.26]	525,714.64 [ 462,884.83]	659,146.65 [ 524,074.09]
Add: Job work charges	199.74 [ 219.78]	- [ 0.00]	199.74 [ 219.78]
Add: Other income	[ 0.00]	14.86 [ 21.41]	14.86 [ 21.41]
Add: Other unallocable income			8,053.08 [ 1,479.62]
Add: Interest Income			7,774.18 [ 4,935.94]
<b>Total Revenue</b>			<b>675,188.51</b> <b>[ 530,730.84]</b>
<b>2. Segment results</b>	4,283.89 [ 1,906.80]	31,314.69 [ 32,866.83]	35,598.57 [ 34,773.63]
Less : Unallocable income (net)			6,781.36 [ 1,335.93]
Less: Interest expense			20,423.97 [ 11,769.05]
Add: Interest Income			7,774.18 [ 4,935.94]
<b>Profit before tax</b>			<b>29,730.14</b> <b>[ 26,604.59]</b>
Less: Current tax			371.76 [ 219.76]
<b>Profit After tax</b>			<b>29,358.37</b> <b>[ 26,384.83]</b>
<b>3. Segment assets</b>	36,264.87 [ 13,243.62]	246,956.22 [ 145,407.79]	283,221.09 [ 158,651.41]
Add: Unallocable Corporate / other Assets			101,246.44 [ 84,417.72]
Add: Advance Income-tax (including tax deducted at source) (net)			- [ 284.14]
Add: MAT Credit entitlement			5,733.00 [ 0.00]
Add: Deferred Tax Asset			687.38 [ 817.14]
<b>Total assets</b>			<b>390,887.90</b> <b>[ 244,170.41]</b>



## Notes to Financial Statements

### Note 43

SEGMENT INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006.

Primary segment disclosures	31 March 2012		
	Domestic	Export	Total
			[31 March 2011]
<b>4. Segment liabilities</b>	17,022.08	155,361.49	172,383.57
	[ 1,547.28]	[ 77,061.62]	[ 78,608.90]
Add: Unallocable Corporate / other Liabilities			3,507.97
			[ 1,092.80]
Add: Loans			75,657.82
			[ 54,971.27]
Add: Provision for tax (net)			2,605.56
			[ 0.00]
Add: Proposed Dividend (including tax thereon)			4,231.60
			[ 2,122.83]
<b>Total liabilities</b>			258,386.52
			[ 136,795.80]
<b>5 Cost incurred to acquire fixed assets</b>	5,666.50	3,815.43	9,481.93
	[ 0.00]	[ 7,394.70]	[ 7,394.70]
Add: Unallocated (excluding capital advances)			209.31
			[ 1,158.59]
			<b>9,691.24</b>
			<b>[ 8,553.29]</b>
<b>6 Depreciation/amortisation</b>	443.04	1,796.06	2,239.10
	[ 123.77]	[ 416.29]	[ 540.06]
Add: Unallocated depreciation/amortisation			-
			[ 57.57]
			2,239.10
			[ 597.63]
<b>7 Significant non cash expenses other than depreciation and amortisation (included in measuring segment results)</b>	-	-	-
	[ 0.00]	[ 0.00]	[ 0.00]

### Secondary Disclosure

	31 March 2012		
	Domestic	Export	Total
			[31 March 2011]
1. Carrying amount of segment assets by location of assets	182,090.76	208,797.14	390,887.90
	[ 132,917.58]	[ 111,252.84]	[ 244,170.42]
2. Cost incurred to acquire segment fixed assets by location of assets (excluding capital advances)	9,691.24	-	9,691.24
	[ 8,553.29]	[ 0.00]	[ 8,553.29]

Figures in Bracket represent previous year's figure.

### Note 44

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.

### Note 45

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 ₹ 182.92 (previous year ₹ 129.51)

### Note 46

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  
Firm Registration No: 307068E

For and on behalf of the Board of Directors

**Pratik Niyogi**  
Partner  
Membership No. : 066514  
Place: Kolkata  
Date: 24th May 2012

**Nilesh Parekh**  
Chairman  
**Umesh Parekh**  
Managing Director  
**Mukund Chandak**  
Company Secretary

## Notes to Financial Statements

Name of the Subsidiary Company	31st March, 2012		31st March, 2011	
	100%	100%	100%	100%
1. Financial Period of the Subsidiary Company				
2. Holding Company's Interest				
3. Share Capital (Issued, Subscribed and Paid up)	54.92	51.45%	54.92	51.45%
4. Equity Share capital				
5. Reserves (including Profit and loss Account- Debit Balance)	730.10		730.10	
6. Total Assets	1,468.21		1,468.21	
7. Total Liabilities	1,468.21		1,468.21	
8. Investments (Except in subsidiaries)				
9. Turnover	2,918.85		2,918.85	
10. Total Income	3,072.34		3,072.34	
11. Profit/(Loss) - (Before Tax)	34.98		34.98	
12. Provision for taxation (including Deferred Taxes)	17.01		17.01	
13. Profit/(Loss) After tax	37.97		37.97	
14. 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	
15. 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	19.54		19.54	
16. 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	
17. 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	85.23		85.23	

### PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956.

Name of the Subsidiary Company	31st March, 2012		31st March, 2011	
	100%	100%	100%	100%
1. Financial Period of the Subsidiary Company				
2. Holding Company's Interest				
3. Share Capital (Issued, Subscribed and Paid up)	54.92	51.45%	54.92	51.45%
4. Equity Share capital				
5. Reserves (including Profit and loss Account- Debit Balance)	730.10		730.10	
6. Total Assets	1,468.21		1,468.21	
7. Total Liabilities	1,468.21		1,468.21	
8. Investments (Except in subsidiaries)				
9. Turnover	2,918.85		2,918.85	
10. Total Income	3,072.34		3,072.34	
11. Profit/(Loss) - (Before Tax)	34.98		34.98	
12. Provision for taxation (including Deferred Taxes)	17.01		17.01	
13. Profit/(Loss) After tax	37.97		37.97	
14. 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	
15. 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	19.54		19.54	
16. 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	
17. 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	85.23		85.23	

**Notes:**  
1. The above details are as on 31 March, 2012. Information on subsidiaries is provided in compliance with general circular no. 2/2011, Dated 8 February 2011, issued by Ministry of corporate affairs, Government of India. We undertake to make available the audited annual accounts and related information of subsidiaries, where applicable, upon request of the shareholders. The annual accounts will also be available for inspection during business hours at our registered office in Kolkata, India.  
2. Proposed Dividend from other subsidiaries is Nil

\*Exchange rate for Conversion : 1 USD = ₹ 13.70 as on 31st March'2012

\*Exchange rate for Conversion : 1 Singapore \$ = ₹ 38.45 as on 31st March' 2012

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 24th May 2012

**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 consolidated Balance Sheet of Shree Ganesh Jewellery House Limited ('the Company'), its subsidiaries, associates and joint venture (collectively referred as "the Group") as at 31st March 2012, the consolidated statement of Profit and Loss and consolidated Cash Flow Statement of the Group 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. We did not audit the financial statements of subsidiaries, associates and joint venture included in the consolidated financial statements, which constitute total assets of ₹ 1,48,210.87 Lacs as at March 31, 2012, total revenue of ₹ 3,53,669.06 Lacs and cash flows amounting to ₹ 4,109.14 Lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such 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, Accounting Standards (AS) 27, Financial Reporting of Interests in Joint Ventures as prescribed by the Companies (Accounting Standard) Rules, 2006 on the basis of separate audited financial statements of Shree Ganesh Jewellery House Limited, its subsidiaries, associates and joint venture 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 and joint venture, 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 Group as at 31st March, 2012;
  - ii. in the case of consolidated statement of Profit and Loss, of the consolidated results of operation of the Group for the year ended on that; and
  - iii. in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Chaturvedi & Partners

Chartered Accountants

Firm Registration No.: 307068E

Pratik Niyogi

Partner

Place: Kolkata

Date: 24th May 2012

Membership No.: 066514

## Consolidated Balance Sheet as at 31 March 2012

	Notes	As at	
		31 March 2012	31 March 2011
(₹ in Lakhs)			
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share capital	3	6,068.25	6,068.25
Reserves and surplus	4	150,875.92	107,749.28
		156,944.17	113,817.53
Minority Interest		6,942.66	362.37
<b>Non-Current Liabilities</b>			
Long-term borrowings	5	34,590.94	10,029.15
Long-term provisions	6	34.38	54.04
		34,625.32	10,083.19
<b>Current Liabilities</b>			
Short-term borrowings	7	80,283.34	47,861.27
Trade payable	8	225,958.80	88,793.98
Other current liabilities	9	27,493.24	1,724.40
Short-term provisions	10	7,241.79	2,147.11
		340,977.17	140,526.76
		<b>539,489.32</b>	<b>264,789.85</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	11	66,040.05	9,923.57
Intangible assets	11	69.39	86.33
Capital work in progress		1,657.45	2,118.58
		67,766.89	12,128.48
Non-current investment	12	601.96	0.19
Deferred tax asset (net)	13	721.21	816.96
Long term loans and advances	14	7,099.95	897.87
		8,423.12	1,715.02
<b>Current Assets</b>			
Current investment	15	1,362.47	12,634.96
Inventories	16	60,451.66	36,865.94
Trade receivables	17	300,190.01	125,823.86
Cash and cash equivalents	18	92,134.96	70,057.82
Short term loans and advances	19	7,529.95	3,550.85
Other current assets	20	1,630.26	2,012.92
		463,299.31	250,946.35
		<b>539,489.32</b>	<b>264,789.85</b>
Summary of Significant Accounting Policies	2		

The notes referred to above form an integral part of the financial statements

As per our report attached

For **Chaturvedi & Partners** For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No: 307068E

**Pratik Niyogi** **Nilesh Parekh** **Umesh Parekh** **Mukund Chandak**  
Partner Chairman Managing Director Company Secretary

Membership No. : 066514

Place: Kolkata

Date: 24th May 2012

## Consolidated Statement of Profit and Loss for the year ended 31 March 2012

	Notes	Year ended	
		31 March 2012	31 March 2011
(₹ in Lakhs)			
<b>INCOME</b>			
Revenue from operations	21	1,012,097.11	584,016.44
Other income	22	16,760.46	7,194.49
		<b>1,028,857.57</b>	<b>591,210.93</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	812,601.70	420,646.91
Purchases of stock-in-trade	24	161,274.12	137,029.82
Changes in inventories of work-in-progress, finished goods and stock-in-trade	25	(21,163.69)	(14,357.91)
Employee benefits expense	26	2,715.89	2,581.57
Finance cost	27	21,364.10	12,398.73
Depreciation and amortisation expense	11	2,906.25	653.66
Other expenses	28	2,695.85	2,452.84
		<b>982,394.22</b>	<b>561,405.61</b>
<b>Profit Before Tax</b>		46,463.35	29,805.32
<b>Tax Expense</b>			
Current tax [Includes MAT ₹ 6,166.85 (PY Nil)]		6,431.64	452.75
Less: Mat credit entitlement		(6,166.85)	-
Net current tax		264.79	452.75
Excess provision for tax for earlier year		-	(57.15)
Deferred tax charge / (release)	13	95.75	(54.99)
<b>Profit for the Year</b>		46,102.81	29,464.71
<b>Minorities share of profit</b>		4.89	35.74
		<b>46,097.92</b>	<b>29,428.97</b>
<b>Basic and diluted earnings per share</b>	31	75.97	48.58
Summary of Significant Accounting Policies	2		

The notes referred to above form an integral part of the financial statements

As per our report attached

For **Chaturvedi & Partners** For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No: 307068E

**Pratik Niyogi** **Nilesh Parekh** **Umesh Parekh** **Mukund Chandak**  
Partner Chairman Managing Director Company Secretary

Membership No. : 066514

Place: Kolkata

Date: 24th May 2012

## Consolidated Cash Flow Statement for the year ended 31 March 2012

(₹ in Lakhs)

	31 March 2012	31 March 2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before taxation	46,463.35	29,805.33	
Adjusted for :			
Depreciation/ Amortisation	2,906.25	653.66	
Provision for Standard Assets	0.85	-	
Preliminary Expenses written off	-	15.65	
Unrealised foreign exchange (gain) / loss (net)	(13,380.57)	2,590.92	
Provision for Diminution for Investment	2.71	19.82	
Interest charged & finance charges	21,364.10	12,398.73	
Interest received	(7,781.60)	(5,311.53)	
Dividend Received	(13.92)	(320.29)	
Short Term Capital Gain	(6.78)	-	
Miscellaneous provision written back	(45.67)	-	
	3,045.37	10,046.96	
<b>Operating profit before working capital changes</b>	<b>49,508.72</b>	<b>39,852.29</b>	
Changes in :			
Trade and other receivables	(161,043.94)	(62,040.05)	
Inventories	(23,585.73)	(16,572.87)	
Trade payables / other liabilities	158,992.12	19,857.19	(58,755.73)
<b>Cash generated from operations</b>	<b>23,871.17</b>	<b>(18,903.44)</b>	
Direct taxes paid (net)	(3,534.25)	(363.24)	
<b>Net Cash Flow From Operating Activities</b>	<b>20,336.92</b>	<b>(19,266.68)</b>	
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	(57,409.90)	(10,895.31)	
Purchase of Investments	(601.96)	(116.43)	
Interest received	758.80	789.99	
Loans Realisation	12.30	1,311.86	
Investment in mutual fund	1,328.22	(1,329.86)	
Investment in fixed deposit	9,941.57	(11,285.90)	
Dividend received	13.92	320.29	
<b>Net Cash Used In Investing Activities</b>	<b>(45,957.05)</b>	<b>(21,205.36)</b>	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from :			
- Proceeds from issue of Share Capital	-	31,554.89	
- Proceeds from issue of Share Capital by Minority Interest	5,812.24	-	
- Long term borrowings	24,638.85	10,000.00	
- Short term borrowings	478,094.60	132,442.94	173,997.83
Repayment of:			
- Long term borrowings	(22.45)	-	
- Short term borrowings	(445,673.00)	(122,042.67)	(122,042.67)
Dividend Paid	(1,820.46)	(3,538.05)	
Interest and finance charges	(21,045.06)	(12,455.53)	
Interest Received	7,116.57	3,004.69	
<b>Net Cash From Financing Activities</b>	<b>47,101.29</b>	<b>38,966.27</b>	
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>21,481.15</b>	<b>(1,505.77)</b>	
Opening cash and cash equivalents	70,057.82	71,563.59	
Add:- Acquired on Acquisition	595.98	-	
Closing cash and cash equivalents	92,134.96	70,057.82	
Note			
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>			
Cash in hand	255.78	72.38	
Balances with scheduled banks			
- Current account	3,757.71	4,385.17	
- Deposit account	88,121.47	65,600.27	
<b>Total</b>	<b>92,134.96</b>	<b>70,057.82</b>	

As per our report attached

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

For and on behalf of the Board of Directors

**Pratik Niyogi**  
Partner  
Membership No. : 066514

**Nilesh Parekh**      **Umesh Parekh**      **Mukund Chandak**  
Chairman              Managing Director      Company Secretary

Place: Kolkata  
Date: 24th May 2012

## Notes to Consolidated Financial Statements for the year ended 31 March 2012

### Note 1 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 ₹ 10 each at ₹ 260 each (including a securities premium of ₹ 250 each) and got listed on National Stock Exchange and Bombay Stock Exchange.

### Note 2 SUMMARY OF 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.

Companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power as at 31 March 2012	Date of subsidiary interest acquired by the Company
Gokul Jewellery House Private Limited	India	51.45	25-Jun-07
Shree Ganesh Jewellery House (Singapore) pet Limited	Singapore	100	05-Oct-07
Easy Fit Jewellery Limited	India	100	04-Feb-08
Shree Ganesh Jewellery House FZE	U.A.E	100	25-Apr-10
Sumit Jewels Private Limited	India	100	19-May-10
Gaja Finance Private Limited	India	100	23-Jul-10
Veeyu India Private Limited	India	100	30-Apr-11
Alex Mercury Power Private Limited	India	100	30-May-11
Alex Astral Power Private Limited	India	55	30-May-11
Alex Spectrum Radiation Private Limited	India	55	30-May-11
Shirdi Commodities Private Limited	India	100	19-Aug-11
Shirdi Commosale Private Limited	India	100	19-Aug-11
Shree Ganesh Jewellery House DMCC (Dubai)	Dubai	100	04-Oct-11
Kamalraj Merchandise Private Limited	India	100	23-Jan-12
Chaturbhuj Vyapaar Private Limited	India	100	23-Jan-12
Alex Green Energy Private Limited	India	80	06-Feb-12

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 31.03.2012
Damgan Retail Jewellery Private Limited	India	33%
Oroitalia Chains Private Limited	India	50%

As the shares in Damgan Retail Jewellery Private Limited 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 the Company 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 recognised 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) Presentation and disclosure of financial statements

During the year end 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with requirements applicable in the current year.

## Notes to Consolidated Financial Statements

- iv) **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.
- v) **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.
- vi) **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.
- vii) **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 ₹ 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.
- viii) **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.
- ix) **Investments**  
Long term investments are stated at cost less amount written off, where there is a diminution in value other than temporary.
- x) **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.
- xi) **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.  
Revenue from generation of solar power is recognised on the basis of generation and transfer of electricity units. Delayed payment charges and interest on delayed payment for power supply are recognised on grounds of prudence, as and when recovered.  
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.
- xii) **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

## Notes to Consolidated Financial Statements

- 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.
- xiii) **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.
- xiv) **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.  
Translation of integral and non integral foreign operation  
The company classifies all its foreign operations as either "integral foreign operations" or "non integral foreign operations".  
The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange difference arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the statement of profit and loss.
- xv) **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.
- xvi) **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.
- xvii) Expenditure with respect to power projects which are directly relating to project development activity is capitalised. Indirect expenditure incurred during the project development period is capitalised as part of the indirect project cost to the extent to which the expenditure is indirectly related to the development or is incidental thereto. Other indirect expenditure incurred during the development period which is not related to the project development activity nor incidental thereto is charged to the Profit and Loss Account.
- xviii) **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.

## Notes to Consolidated Financial Statements

	(₹ in Lakhs)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
70,000,000 (Previous Year - 70,000,000) Equity Shares of ₹ 10 each	7,000.00	7,000.00
2,666,667 (Previous year - 2,666,667) 0.0001 % Cumulative Convertible Preference Shares of ₹ 300/- each.	8,000.00	8,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and fully Paid up shares</b>		
60,682,485 (Previous Year - 60,682,485) Equity Shares of ₹ 10 each fully paid up	6,068.25	6,068.25
(of the above share 36,048,144 equity share of ₹ 10 each are allotted fully paid up by way of bonus shares in the year 2009-10)		
	<b>6,068.25</b>	<b>6,068.25</b>

The Company has made an Initial Public Offer (IPO) to issue 12,136,497 Equity Shares of ₹ 10 each at ₹ 260 each (includes securities premium of ₹ 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 ₹ 31,554.89, apart from meeting the IPO expenses of ₹ 2,332.34, the Company has utilised the proceeds of the issue amounting to ₹ 27,877.02 (PY ₹ 166,06.79) 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 2012. The unutilised fund of the issue amounting to ₹ 1,345.98 (PY. ₹ 12,615.76) has been temporarily invested in interest bearing liquid instruments including deposit with banks and investment in mutual funds.

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

	31 March 2012		31 March 2011	
	No.	Amount	No.	Amount
At the beginning of the year	60,682,485	6,068.25	48,545,988	4,854.60
Add : Issued during the year-Initial public offering	-	-	12,136,497	1,213.65
Outstanding at the end of the year	60,682,485	6,068.25	60,682,485	6,068.25

**b. Terms / rights attached to equity shares**

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Share. Each holder of equity shares is entitled to one vote per Share. The Company declares and pay dividends in Indian Rupees. The Dividend Proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012, The Board has recommended a Final Dividend of ₹ 6 [60% of the paid up equity share capital of the Company] per equity share of face value ₹ 10 each.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**c. 70.66% of equity shares of the Company are held by the promoter group of the Company.**

**d. Details of shareholders holding more than 5% of total shares of the Company:**

	31 March 2012		31 March 2011	
	No.	% holding	No.	% holding
Umesh Parekh	9,475,300	15.61%	9,475,300	15.61%
Kamlesh Shailendra Parekh	9,085,100	14.97%	9,085,100	14.97%
Nilesh Parekh	8,891,200	14.65%	8,891,200	14.65%
Umesh Parekh HUF	5,582,000	9.20%	5,582,000	9.20%
Nilesh Parekh HUF	3,646,880	6.01%	3,646,880	6.01%
Credit Suisse Pe Asia Investments (Mauritius) Limited	3,200,000	5.27%	3,200,000	5.27%
Kumud Parekh	3,194,240	5.26%	3,194,240	5.26%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

## Notes to Consolidated Financial Statements

	(₹ in Lakhs)	
	As at 31 March 2012	As at 31 March 2011
<b>Note 4 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	38,751.61	8,395.58
<b>Additions during the period:</b>		
- on Initial Public Offering of equity shares [refer clause (a) of note 3]	-	30,341.24
- Reversal of share issue expenses (net of deferred tax ₹ nil (Previous Year ₹ 5.10))	-	14.79
Balance at the end of the year	38,751.61	38,751.61
<b>General reserve</b>		
At the commencement of the year	4,350.76	1,712.28
Add: Transfer from statement of Profit and loss	2,936.05	2,638.48
Balance at the end of the year	7,286.81	4,350.76
<b>Foreign currency translation reserve</b>	1,254.75	(5.57)
<b>Surplus / (deficit) in the statement of Profit and Loss</b>		
At the commencement of the year	63,963.93	41,419.10
Profit for the year	46,097.92	29,428.97
Less: Appropriations		
Proposed Equity Dividend	3,640.95	3,640.94
Dividend Tax	590.65	604.72
Transfer to Debenture redemption reserve	2,500.00	-
Transfer to General Reserve	2,936.05	2,638.48
Balance at the end of the year	100,394.20	63,963.93
<b>Debenture Redemption Reserve</b>		
Transfer from profit and loss account	2,500.00	-
	<b>150,875.92</b>	<b>107,749.28</b>

**Note 5 LONG TERM BORROWINGS**

<b>Secured</b>		
- 11% Non convertible debenture *	10,000.00	10,000.00
- Vehicle loan **	38.77	29.15
- Term loan from bank and financial institution***	24,552.17	-
	<b>34,590.94</b>	<b>10,029.15</b>

\* Debentures are due for repayment at the end of 3rd, 4th and 5th year in the ratio of 30:35:35 from the date of allotment, viz, 20/12/2010 and 03/11/2010, ₹ 5,000 each. These are 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.

\*\* Secured by hypothecation of the vehicles purchased from the proceeds of the loan.

\*\*\* Term loan include ₹ 2,271/- from financial institutions which was taken during the financial year 2011-12 and carries interest @ 14.96% p.a. The loan is repayable in 40 monthly installments of ₹ 133/- each along with interest, from 25-03-2012. The loan is Secured By 100% shares & assets of some companies under the direct or indirect control of the same management and Fixed Deposits of ₹ 500/- . Further the loan has been guaranteed by Irrevocable and unconditional Corporate Guarantee of Shree Ganesh Jewellery House Ltd (SGJHL) & personal guarantee of key promoter of SGJHL, Nilesh Parekh.

\*\*\*\* The Term loan include ₹ 22,281.17/- from financial institutions which was taken during the financial year 2011-12 and carries interest @ 13.25% p.a. The loan is repayable in 48 quarterly installments starting from Quarter-II of the F.Y. 2012-13. The loan is Secured by pledge of 51% shares of the company held by the sponsors & first charge over the fixed assets of the project, other moveable assets of the company, operating cash flows, all receivables including receivables on account of carbon credits from the Project, commissions, revenues of whatsoever nature and wherever arising, present and future. Further the loan has been provided with Corporate Guarantee of Shree Ganesh Jewellery House Ltd, till the tenure of the loan.

## Notes to Consolidated Financial Statements

(₹ in Lakhs)

	As at 31 March 2012	As at 31 March 2011
<b>Note 6 LONG TERM PROVISIONS</b>		
Employee benefits (Refer note 32)	34.38	54.04
	<b>34.38</b>	<b>54.04</b>
<b>Note 7 SHORT TERM BORROWING</b>		
<b>Secured loans</b>		
<b>From Banks</b>		
– Cash credit from banks*	30,061.57	6,550.63
– Bank overdraft **	2,408.50	-
– Post Shipment Credit***	6,155.70	2,407.58
– Buyers credit**	9,135.95	18,013.05
<b>From other financial institutions</b>		
– Other short term loan ****	18,074.05	7,000.00
<b>Unsecured loans</b>		
From banks & other financial institutions	12,000.00	11,000.00
– From directors & relatives	950.18	1,750.51
– From related parties	150.00	-
– From bodies corporate and others (Interest free)	897.39	1,139.50
– From others	450.00	-
	<b>80,283.34</b>	<b>47,861.27</b>

\* Secured by way of first charge on current assets of the Company, both present and future, excluding assets having specific charge of respective financing banks, and second charge on fixed assets, both current and future. Irrevocable and unconditional personal guarantee of the Promotor Directors.

\*\* Secured by way of lien on fixed deposits.

\*\*\* First charge on export bills discounted under confirmed orders & bills purchased under confirmed orders by banks. Also secured by way of margin money and first charge on the current assets of the Company, both present and future, and second charge on fixed assets of the Company, both present and future. Irrevocable and unconditional personal guarantee of the Promotor Directors.

\*\*\*\* Secured by way of margin money and first charge on current assets of the Company, both present and future, excluding assets having specific charge of respective financing banks, and second charge on fixed assets of the Company, both present and future. Irrevocable and unconditional personal guarantee of the Promotor Director.

<b>Note 8</b>		
<b>Trade payable</b>	225,958.80	88,793.98

### Note 9 OTHER CURRENT LIABILITIES

Current maturities of long-term debt	42.39	26.43
Interest accrued but not due on borrowings	160.67	205.24
Unpaid dividends	6.09	6.08
Temporary book overdrafts	49.10	-
Foreign currency payable	717.61	492.08
Advance received from customers	438.27	183.20
Statutory liability	230.20	305.33
Other payables	25,848.91	506.04
	<b>27,493.24</b>	<b>1,724.40</b>

Other payables includes liabilities for purchase of assets, employee benefit expenses and miscellaneous payables

### Note 10 SHORT TERM PROVISIONS

Employee benefits (Refer note 32)	33.54	24.28
Proposed dividend	3,640.95	1,820.47
Tax on proposed dividend	590.65	302.36
Provision for standard assets (Refer note 35)	0.85	-
Provision for taxation (net of advance Tax ₹ 4,495.62)	2,975.80	-
	<b>7,241.79</b>	<b>2,147.11</b>

## Notes to Consolidated Financial Statements

Description	Gross Block		Depreciation/ Amortisation		Net Block		
	As at 1 April 2011	As at 31 March 2012	Additions Acquisition	For the year	Deductions Adjustments	As at 31 March 2012	As at 31 March 2011
<b>Tangible Assets</b>							
Land							
– Freehold	210.86	834.71	-	-	-	834.71	210.86
– Leasehold	-	6,586.18	-	46.80	-	6,539.38	-
<b>Buildings</b>							
– Freehold	1,243.04	4,691.11	3,448.07	286.97	-	4,236.46	1,075.36
– Leasehold (refer note below)	452.95	452.95	-	19.93	-	338.71	358.64
<b>Plant &amp; Equipment</b>							
– Plant & Equipment	7,878.38	54,956.50	47,082.27	2,270.59	0.77	52,323.81	7,515.51
<b>Furniture, Fixtures</b>							
– Furniture, Fixtures	651.23	1,461.13	809.90	111.49	-	1,163.05	464.64
<b>Office Equipments</b>							
– Office Equipments	57.66	72.01	14.35	8.48	-	43.06	37.19
<b>Computers &amp; related equipments</b>							
– Computers & related equipments	150.92	235.97	82.37	35.06	-	110.16	60.73
<b>Vehicles</b>							
– Vehicles	369.63	726.19	356.56	106.49	-	450.71	200.64
<b>Total</b>	<b>11,014.67</b>	<b>70,016.75</b>	<b>1,241.50</b>	<b>2,885.81</b>	<b>0.77</b>	<b>66,040.05</b>	<b>9,923.57</b>
<b>Intangible Assets</b>							
Goodwill	411.02	124.69	-	16.13	287.86	64.49	74.80
Computer Software	24.27	26.24	1.97	4.31	-	9.19	11.53
<b>Total</b>	<b>435.29</b>	<b>150.93</b>	<b>1.97</b>	<b>20.44</b>	<b>287.86</b>	<b>81.54</b>	<b>86.33</b>
Previous Year	2,683.30	11,449.96	8,847.27	653.66	0.16	1,440.06	10,009.90

(a) Includes gross block ₹ 201.92 (Previous Year ₹ 201.92), accumulated depreciation ₹ 53.51 (Previous Year ₹ 45.68) and written down value ₹ 148.41 (Previous Year ₹ 156.24), jointly held with others.

(b) Includes gross block ₹ 102.93 (Previous Year ₹ 162.84) and accumulated depreciation ₹ 25.28 (Previous Year ₹ 31.20), that are yet to be registered in the name of the Company.

Note 11 FIXED ASSETS

## Notes to Consolidated Financial Statements

					(₹ in Lakhs)	
					As at 31 March 2012	As at 31 March 2011
<b>Note 12 NON-CURRENT INVESTMENTS</b>						
	No. of Shares 31.03.12	No. of Shares 31.03.11	Currency	Face Value per share		
<b>Unquoted-at cost</b>						
<b>Investment in equity instruments (equity shares fully paid up)</b>						
Alex Mercury Power Private Limited	10,000	1,900	INR	10	-	0.19
					-	0.19
<b>Other Investments</b>					<b>601.96</b>	<b>-</b>
					<b>601.96</b>	<b>0.19</b>

### Note 13 DEFERRED TAX ASSETS

<b>Deferred tax</b>		
Deferred tax asset (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	23.08	21.74
(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	127.83	135.62
Other timing differences	570.30	659.60
<b>Deferred tax asset (net)</b>	<b>721.21</b>	<b>816.96</b>

### Note 14 LONG TERM LOANS AND ADVANCES

<b>Unsecured and considered good</b>		
Capital advances	52.81	189.86
MAT Credit Entitlement	6,166.85	-
Security deposit	880.29	708.01
	<b>7,099.95</b>	<b>897.87</b>

### Note 15 CURRENT INVESTMENTS

(Short term, other than trade, valued at cost)		
Quoted equity shares *	39.02	39.02
Less:- Provision for diminution in the value of investment	22.53	19.82
	16.49	19.20
]Investments in mutual fund **	1.65	1,329.86
Fixed Deposits **	1,344.33	11,285.90
	<b>1,362.47</b>	<b>12,634.96</b>

\* Aggregate value of quoted investment ₹ 17.45 (PY ₹ 19.77)

\*\* Refer note 3

### Note 16 INVENTORIES

(At lower of cost and net realisable value)		
<b>Raw materials and stones</b>		
(includes goods in transit ₹ nil (Previous year ₹ 416.22))	2,735.80	6,018.12
Work-in-progress *	14,708.32	12,557.58
<b>Finished goods</b>		
[includes goods in transit ₹ 2,664.60 (Previous year ₹ 22.09)]	36,821.13	17,808.18
Stock in trade	6,186.41	482.06
	<b>60,451.66</b>	<b>36,865.94</b>

\* Include stock lying with third parties ₹ 10,348.26 (Previous year ₹ 9,254.92). Closing stock excludes stock provided by third parties amounting to ₹ 214.62 (Previous Year ₹ 241.84) as at the year end.

## Notes to Consolidated Financial Statements

			(₹ in Lakhs)	
			As at 31 March 2012	As at 31 March 2011
<b>Note 17 TRADE RECEIVABLES</b>				
(Unsecured)				
Debts outstanding for a period exceeding six months from the date they are due for payment				
- considered good			3,608.90	208.32
- considered doubtful			393.98	408.28
			4,002.88	616.60
Less: Provision for doubtful debts			393.98	408.28
			3,608.90	208.32
Other debts - considered good			296,581.11	125,615.54
			<b>300,190.01</b>	<b>125,823.86</b>

### Note 18 CASH AND CASH EQUIVALENTS

Cash on hand	255.78	72.38
<b>Balances with bank</b>		
- on current accounts	3,751.62	4,379.09
- on unpaid dividend account	6.09	6.08
<b>Other bank balances</b>		
- on bank deposits *	88,121.47	65,600.27
	<b>92,134.96</b>	<b>70,057.82</b>

\* Bank deposits are held as margin money against various secured short term borrowing.

### Note 19 SHORT TERM LOANS AND ADVANCES

(Unsecured and considered good)		
Retail Loan (Gold loan receivable)	340.47	-
Income tax [net of provision for income tax (previous year ₹ 1,039.78) ]	-	214.51
Foreign Currency Receivable	157.77	-
Other loan and advances	7,031.71	3,336.34
	<b>7,529.95</b>	<b>3,550.85</b>

### Note 20 OTHER CURRENT ASSETS

Interest accrued but not due on deposits and loans given	1,630.26	2,012.92
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## Notes to Consolidated Financial Statements

	(₹ in Lakhs)	
	Year ended 31 March 2012	Year ended 31 March 2011
<b>Note 21 REVENUE FROM OPERATIONS</b>		
Sale of Products	1,011,849.63	583,772.38
Sale of Services:		
– Job work charges	199.74	218.36
– Interest income from gold loan	14.78	–
Other operating revenue	32.96	25.70
	<b>1,012,097.11</b>	<b>584,016.44</b>
<b>Note 22 OTHER INCOME</b>		
Interest income	7,781.60	5,311.53
Gain on foreign exchange fluctuation (net)	8,835.47	1,503.53
Dividend Income	13.92	320.29
Miscellaneous Income	129.47	59.14
	<b>16,760.46</b>	<b>7,194.49</b>
<b>Note 23 COST OF MATERIALS CONSUMED</b>		
Opening stock	6,500.18	4,285.23
Add: Purchases	815,023.73	422,861.86
Less: Closing stock	8,922.21	6,500.18
	<b>812,601.70</b>	<b>420,646.91</b>
<b>Note 24 PURCHASES OF STOCK-IN-TRADE</b>		
Gold Jewellery and articles	95,661.88	61,263.60
Precious/Semi precious stones	65,612.24	75,766.22
	<b>161,274.12</b>	<b>137,029.82</b>
<b>Note 25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE</b>		
Closing Stock		
– Work In Progress	14,708.32	12,557.58
– Finished Goods	36,821.13	17,808.18
Less :		
Opening Stock		
– Work In Progress	12,557.58	5,317.30
– Finished Goods	17,808.18	10,690.55
	<b>21,163.69</b>	<b>14,357.91</b>
<b>Note 26 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	1,723.25	1,309.00
Contribution to provident and other funds	25.85	15.67
Staff welfare expense	68.50	18.72
Directors Remuneration	898.29	1,238.18
	<b>2,715.89</b>	<b>2,581.57</b>
<b>Note 27 FINANCE COST</b>		
Interest expense	19,152.19	11,372.62
Other borrowing costs	2,211.91	1,026.11
	<b>21,364.10</b>	<b>12,398.73</b>

## Notes to Consolidated Financial Statements

	(₹ in Lakhs)	
	Year ended 31 March 2012	Year ended 31 March 2011
<b>Note 28 OTHER EXPENSES</b>		
Alloys and consumables consumed	30.01	70.56
Power and fuel	109.07	57.78
Rent (refer Note 38)	184.17	131.55
Repairs & maintenance		
– Building	21.84	24.94
– Machinery	3.16	2.92
– Others	17.71	14.52
Insurance	114.31	88.76
Rates and taxes	12.61	29.83
Sales promotion expenses	275.54	451.93
Legal and consultancy charges	243.87	590.36
Job work charges	132.07	186.45
Auditor remuneration (Refer note 36)	22.91	20.63
Travelling expense	322.86	222.87
Miscellaneous expenses	1,202.16	539.92
Provision for standard assets	0.85	–
Provision for diminution in investment	2.71	19.82
	<b>2,695.85</b>	<b>2,452.84</b>
	As at 31 March 2012	As at 31 March 2011
<b>Note 29</b>		
<b>Estimated Capital Commitments not provided for (Net of Advance)</b>	894.03	1,289.60
<b>Other Commitments</b>		
Bank guarantee	1,013.25	–
<b>Note 30 CONTINGENT LIABILITIES</b>		
i. Corporate Guarantees given		
– on behalf of subsidiaries	8,600.00	7,100.00
– on behalf of holding Company by subsidiary	10,000.00	10,000.00
– on behalf of other group companies	35,288.00	2,228.50
ii. Bills Discounted	123,369.63	100,617.77
iii. Claims against the Company in respect of Sales Tax matters not acknowledged as debts	318.51	383.25
<b>Note 31 BASIC AND DILUTED EARNINGS PER SHARE</b>		
<b>(a) Calculation of weighted average number of equity shares of ₹ 10 each for basic earning per share.</b>		
Number of equity shares at the beginning of the year	60,682,485	48,545,988
Fresh issue of Equity shares through Initial Public offering	–	12,036,745
Weighted average number of equity shares outstanding during the year for basic EPS	60,682,485	60,582,733
<b>(b) Net profit attributable to equity shareholders</b>	46,097.92	29,428.97
<b>(c) Basic and Diluted earnings per equity share (₹)</b>	75.97	48.58
(Face value per Equity Share of ₹ 10 each)		
– 60,682,485 (Previous Year 48,545,988)		
equity shares outstanding for 365 days including:		
– 12,136,497 Equity Shares issued during the year 2010-11 through Initial Public offering outstanding for 362 days in Previous years		



## Notes to Consolidated Financial Statements

Note 32		
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 March 2012	Year ended 31 March 2011
(i) Particulars	Gratuity- Unfunded	Gratuity- Unfunded
<b>(a) Component of Employer Expense</b>		
Current service cost	15.53	18.61
Interest cost	4.69	2.05
Actuarial (Gains) / Losses	(38.95)	10.75
<b>Total Expenses recognised in the Statement of Profit &amp; Loss Account</b>	<b>(18.73)</b>	<b>31.41</b>
<b>(b) Change in Defined Benefit Obligation (DBO)</b>		
Present value of DBO at the beginning of period	54.49	23.08
Current service cost	15.53	18.61
Interest cost	4.69	2.05
Actuarial (Gains) / Losses	(38.95)	10.75
Benefits	-	-
Payments	-	-
<b>Present Value of DBO at the year end</b>	<b>35.76</b>	<b>54.49</b>
Current liability	1.38	0.45
Non current liability	34.38	54.04
	35.76	54.49
Actuarial Assumptions		
Discount Rate	8.90%	8.60%

The Gratuity expenses have been recognised as 'Employee benefit expense' under Note 26.

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.

Note 33		
RELATED PARTIES DISCLOSURE IN ACCORDANCE WITH AS - 18 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006		
Particulars	2011-2012	2010-2011
(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 (P) Ltd	(c) Swastik Wheat Product Agencies (P) Ltd
	(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) Mr. Kamlesh Parekh	(d) Mr. Kamlesh Parekh
	(e) Mr. Hitesh Dhinoja	
	(f) Mr. Pranay Kumar Surekha	
	(g) Mr. Manoj Dalal	
	(h) Mr. Chintan Ojha	
(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 Private Limited
	(c) Dhanteras Estates Pvt. Ltd.	(c) Alex Mercury Power Private Limited
	(d) Caravan Creations Pvt. Ltd.	

## Notes to Consolidated Financial Statements

Note 33			
RELATED PARTIES DISCLOSURE IN ACCORDANCE WITH AS - 18 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006 (Contd.)			
CONSOLIDATED STATEMENT OF RELATED PARTY DISCLOSURE AS RESTATED			
Name of the party	Nature of Transaction	Year ended	Year ended
		31 March 2012	31 March 2011
			(₹ in Lakhs)
Kalindi Enclave Pvt Ltd	Rent Expense	6.00	6.00
Safal Properties pvt Ltd	Rent expense	75.09	72.00
Swastik Wheat Products Agencies Pvt Ltd	Rent expense	6.00	3.40
	Security Deposit / Advance	-	2.50
Alex Mercury Power Private Limited	Investment	-	0.19
Nilesh Parekh	Repayment of loan given	1,955.83	-
	Loan taken	1,788.00	1,575.51
	Repayment of loan taken	-	625.00
	Remuneration including commission on profit	447.79	617.59
	Receivable / (payable) as at the year end	(145.31)	(24.98)
	Loans receivable / (payable) outstanding	(782.68)	(950.51)
Umesh Parekh	Loan taken	-	705.94
	Repayment of loan taken	150.00	277.44
	Remuneration including commission on profit	447.79	617.59
	Receivable / (payable) as at the year end	(145.31)	(24.98)
	Loans receivable / (payable) outstanding	(50.00)	(440.00)
Umesh Parekh (HUF)	Loan taken	-	165.00
	Loans receivable / (payable) outstanding	(105.00)	(165.00)
	Repayment of loan taken	60.00	-
Kumud Parekh	Loans receivable / (payable) outstanding	(12.00)	(195.00)
	Repayment of loan taken	-	400.00
	Loan Taken	-	595.00
Kamlesh Parekh	Loan Taken	-	175.00
	Repayment of loan Taken	-	175.00
Pranay Kumar Surekha	Repayment of loan Taken	0.30	-
Hitesh Dhinoja	Loan Taken	0.50	-
	Loans receivable / (payable) outstanding	(0.50)	-
Caravan Creations Pvt. Ltd.	Loans receivable / (payable) outstanding	(450.00)	-
Dhanteras Estates Pvt. Ltd.	Rent expense	0.11	-
	Receivable / (payable) as at the year end	(0.11)	-

Note 34	
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. Further the Company through its subsidiaries is engaged in generation of solar power and lending against gold and other assets. The risk and returns of the group are affected predominantly by the fact that it operates in different businesses i.e. Jewellery, Solar Power & lending against gold and accordingly business segment have been considered as the primary segment information.

In view of the fact that the Company operates in different geographical areas i.e domestic and export, the geographical segment is considered as secondary segment information.

## Notes to Consolidated Financial Statements

Note 34

SEGMENT INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006. (Contd.)

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 (Business Segments)	(₹ in Lakhs)	
	31 March 2012	[31 March 2011]
<b>1. Segment revenue</b>		
Jewellery	1,011,563.68	[ 583,990.74]
Power Sector	500.89	[ 0.00]
Others	32.54	[ 25.70]
Other Unallocable Income	8,978.87	[ 1,882.96]
Interest Income	7,781.60	[ 5,311.53]
<b>Total Revenue</b>	<b>1,028,857.58</b>	<b>[ 591,210.93]</b>
<b>2. Segment results</b>		
Jewellery	53,252.40	[ 38,409.51]
Power Sector	370.15	[ 0.00]
Others	13.03	[ 0.00]
<b>Segment Total</b>	<b>53,635.58</b>	<b>[ 38,409.51]</b>
Unallocated Income (net)	6,410.27	[ 1,517.00]
<b>Profit Before Interest and Taxation</b>	<b>60,045.85</b>	<b>[ 36,892.51]</b>
Interest Income	7,781.60	[ 5,311.53]
Interest Expenses	21,364.10	[ 12,398.73]
<b>Profit before taxation</b>	<b>46,463.35</b>	<b>[ 29,805.31]</b>
Less: Current tax	360.54	[ 340.61]
<b>Profit After taxation</b>	<b>46,102.81</b>	<b>29,464.70</b>
<b>Minority Interest</b>	<b>4.89</b>	<b>[ 35.74]</b>
<b>Profit after Taxation before Minority Interests</b>	<b>46,097.92</b>	<b>[ 29,428.96]</b>

## Notes to Consolidated Financial Statements

Note 34

SEGMENT INFORMATION IN ACCORDANCE WITH ACCOUNTING STANDARD 17 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006. (Contd.)

3. Other Information	Segment Assets	Segment Liabilities
	Amount	Amount
Jewellery	381,081.34 [ 173,538.14]	245,379.45 [ 89,480.64]
Power Sector	61,441.51 [ 0.00]	4,549.06 [ 0.00]
Other	822.09 [ 0.00]	17.40 [ 0.00]
<b>Segment Total</b>	<b>443,344.94</b> <b>[ 173,538.14]</b>	<b>249,945.91</b> <b>[ 89,480.64]</b>
Unallocated Corporate Assets/Liabilities	89,256.32 [ 90,220.24]	3,574.90 [ 1,116.05]
Advance Income Tax (Net)/Provision for Tax (Net)	-	2,975.80 [ 0.00]
Loan	-	114,874.28 [ 57,890.42]
Proposed Dividend	-	3,640.95 [ 1,820.47]
Tax on proposed dividend	-	590.65 [ 302.36]
MAT Credit Entitlement	6,166.85 [ 0.00]	-
Deferred Tax Asset	721.21 [ 816.96]	-
Minority Interest	-	6,942.66 [ 362.37]
<b>Total</b>	<b>539,489.32</b> <b>[ 264,789.85]</b>	<b>382,545.15</b> <b>[ 150,972.31]</b>

	Capital Expenditure	Depreciation	Significant non cash expenses other than depreciation and amortisation
Jewellery	10,657.18 [ 8,847.27]	2,333.75 [ 653.66]	-
Power Sector	47,053.42 [ 0.00]	569.77 [ 0.00]	-
Others	56.10 [ 0.00]	2.73 [ 0.00]	-
<b>Segment Total</b>	<b>57,766.70</b> <b>[8,847.27]</b>	<b>2,906.25</b> <b>[653.66]</b>	-

\*(included in measuring segment results)

Secondary Disclosure (Geographical Segments)	31 March 2012	31 March 2011
<b>1. Revenue from external customers by location of customers</b>		
- Within India	434,698.17	[ 74,021.00]
- Outside India	577,398.95	[ 511,512.53]
- Unallocated	16,760.45	[ 5,677.40]
<b>Total</b>	<b>1,028,857.57</b>	<b>[ 591,210.93]</b>
<b>2 Carrying amount of Segment Assets by location of assets</b>		
- Within India	231,756.75	[ 140,365.88]
- Outside India	307,732.57	[ 124,423.97]
<b>Total</b>	<b>539,489.32</b>	<b>[ 264,789.85]</b>
<b>3 Cost to acquire tangible and intangible fixed assets by location of assets</b>		
- Within India	56,847.72	[ 8,847.27]
- Outside India	918.98	[ 0.00]
<b>Total</b>	<b>57,766.70</b>	<b>[ 8,847.27]</b>

## Notes to Consolidated Financial Statements

### Note 35

Provision for Standard and Non Performing Assets as per Prudential Norms :

As per the Non - Banking Financial (Non Deposit Accepting / Holding ) Companies prudential norms (Reserve Bank) Direction , 2007 Company has made provisions for standard assets as well as non performing assets as per the table below :

	(₹ in Lakhs)	
	Year ended 31 March 2012	Year ended 31 March 2011
Non Performing Assets	-	-
Standard assets	340.47	-
Provision required as per prudential norms	85.00	-
Provisions already available	-	-
Provision made during the year	85.00	-

### Note 36 AUDITOR'S REMUNERATION INCLUDES

- As auditor	18.37	20.31
- For taxation matter	1.50	-
- For other services	3.04	0.32
	<b>22.91</b>	<b>20.63</b>

### Note 37

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

### Note 38

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 ₹ 184.17 (Previous Year ₹ 131.55)

### Note 39

One of the subsidiary has gives loan against gold as a security. The Gold held as security consisting Gross Weight 20,100.12 grams and Net Weight 18,289.200 grams valued at ₹ 501.70/- (Previous Year Nil) as on 31.03.2012.

### Note 40

The date of capitalisation of the project at Rajasthan is taken as 21st Day of February,2012 and at Gujrat is taken as 3rd March, 2012.It has been determined on the basis of completion certificate received from Rajashtan Renewable Energy Corpn. Ltd and Gujrat Renewable Energy Corpn. Ltd respectively.

### Note 41

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  
Firm Registration No: 307068E

For and on behalf of the Board of Directors

**Pratik Niyogi**  
Partner  
Membership No. : 066514  
Place: Kolkata  
Date: 24th May 2012

**Nilesh Parekh**  
Chairman

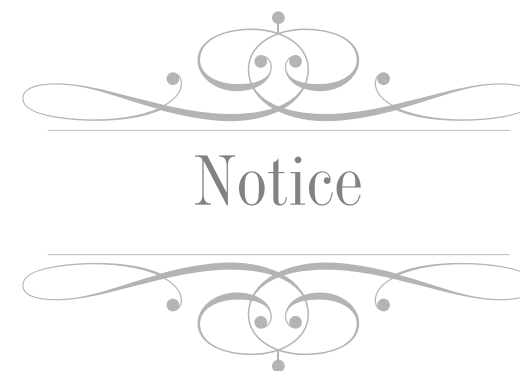
**Umesh Parekh**  
Managing Director

**Mukund Chandak**  
Company Secretary

## Notes

**Shree Ganesh Jewellery House Limited**

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



# Notice



## Notes

Notice is hereby given that the Tenth Annual General Meeting of the members of Shree Ganesh Jewellery House Limited will be held on 24th day of August 2012 at 11 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 31st March 2012 and the statement of profit and loss for the financial year ended on that date together with the reports of the Auditors and Directors thereon
2. To appoint a Director in place of Mr. Pawan Singh Ingty, who retires by rotation and being eligible, offers himself for re-appointment
3. To appoint a Director in place of Mr. Sharad Mohata, who retires by rotation and being eligible, offers himself for re-appointment
4. 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, Firm Registration No. 307068E, 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.”

### Special Business

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that pursuant to Section 163(1) and other applicable provisions, if any, of the Companies Act, 1956, the register of members, index of members, the register and index of debenture holders, if any, and copies of all annual returns prepared under Section 159 and 160 of the Companies Act, 1956, together with copies of certificates and documents required to be annexed thereto under Sections 160 and 161 of the Companies Act, 1956, be kept at the corporate office of the Company situated at Avani Signature 4th Floor, Block no. 402, 91A/1, Park Street, Kolkata-700016.”

“RESOLVED FURTHER that registers, indexes, returns and copies of certificates and documents referred above be kept open for inspection between 11.00 a.m. to 1.00 p.m, on all working days, except when the registers are closed.”

Dated: 24th May 2012

### Registered Office:

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

By order of the Board

*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 18.08.2012 to 24.08.2012 (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 17.08.2012
  - 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.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, West Bengal, as required under the said Section 163 (1) of the Companies Act,

1956.

None of the Director is in anyway concerned or interested in the above resolution.

**Details of Directors seeking re-appointment at the Annual General Meeting  
(Item no. 2 and 3 )**

Name of the Directors	Mr. Pawan Singh Ingty	Mr. Sharad Mohata
Date of birth	01.03.1942	18.01.1967
Nationality	Indian	Indian
Date of appointment on the Board	20.04.2007	30.10.2007
Qualifications	M.A., MBA	B.Com, FCA, ICWAI
Brief resume and expertise in specific functional area	Mr. Pawan Singh Ingty holds a masters' degree in arts and a M.B.A. from Leeds University, United Kingdom and was also a visiting fellow at Queens Elizabeth House, Oxford University, United Kingdom. Mr Ingty was the Principle Secretary to the Government of West Bengal from 1997 to 2002, the chief executive officer of the West Bengal Cooperative Marketing Federation from 1983 to 1991, District Magistrate and Collector between 1975 and 1977, the Deputy Secretary, Commerce & Industry Department from 1972 to 1975 and Joint Secretary to Public Undertaking Department from 1977 to 1979. He was the Managing Director of the West Bengal Agro Industries Corporation and the West Bengal Ceramic Development Corporation in the year 1980-81. He was also the chairman of the District Central Cooperative Bank and the State Land Use Board. He is currently on the board of the International Institute of Sustainable Development and Management. He has been associated with our Company since 2007.	Mr. Sharad Mohata holds a bachelors' degree in commerce from Calcutta University, is a practicing chartered accountant and holds a professional degree of costs and works accountant. He has been in the profession for the last seventeen years and is the proprietor of the chartered accountancy firm, Sharad Mohata and Co. He started his career with a brief stint with GEC Alsthom and then switched over to his professional practice in the year 1992. He has been associated with our Company since inception as our statutory auditor and resigned from that position in 2006.

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

**Item No. 5**

Pursuant to provisions of section 163 of the Companies Act, 1956, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office of the Company is

situated, with the approval of the members to be accorded by a special resolution.

As the company's workings are being carried out from its corporate office, it will be convenient for the company, if the aforementioned registers and documents are kept at the corporate office of the company. Hence, the approval of the members is sought in terms of Section 163(1) of the Companies Act, 1956.

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

## Proxy

Name of the Directors	Mr. Pawan Singh Ingty	Mr. Sharad Mohata
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: 24th May 2012

**Registered Office:**

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

By order of the Board

*Company Secretary*

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 Tenth Annual General Meeting of the company to be held on Friday, 24 August 2012 at 11.00 a.m and any adjournment thereof.

Signed this ..... day of ..... 2012.

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

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

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

Signature \_\_\_\_\_

Affix Re. 1 Revenue stamp here
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**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 Tenth Annual General Meeting of the company on Friday, 24 August 2012 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.



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# Corporate Information

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## 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

Allahabad Bank  
Andhra Bank  
Axis Bank  
Bank of Baroda  
Bank of India  
Bank of Maharashtra  
Central Bank of India  
Corporation Bank  
Dena Bank  
Dhanlaxmi Bank  
EXIM Bank  
ICICI Bank  
IDBI Bank  
Karnataka Bank  
Punjab National Bank  
State Bank of Bikaner & Jaipur  
State Bank of Hyderabad  
State Bank of India  
State Bank of Mysore  
State Bank of Patiala  
State Bank of Travancore  
The South Indian Bank Limited  
UCO Bank  
United Bank of India

## Offices

### Registered Office

413 Vardaan Market  
25A Camac Street,  
Kolkata - 700 016  
Phone: 033 2283 5075  
Fax 033 3022 5903

### Corporate Office

Avani Signature, Block 402  
91A/1 Park Street,  
Kolkata - 700 016  
Phone: 033 3025 9382  
Fax: 033 4007 1623

## Factories

1. Manikanchan SEZ,  
Sector V, Saltlake,  
Kolkata – 700 091  
Ph: 033 2367 5491  
Fax 033 2367 5492
2. Mouza Domjur  
Sasthitala,  
District Howrah - 711405
3. Mondalpara Lane,  
Mondalpara, Kolkata - 700 090

॥ *Shree Ganesh* ॥  
JEWELLERY HOUSE LTD