



SSIL

a multi dimensional jewellery solutions company

Plot: Saket Farm, D-3 Mall Road (Church Road), Vasant Kunj, Delhi-110078

CONTENTS

15th Annual General Meeting 2008 - 2009

SILVERSMITH INDIA LTD.

ddc
design development Centre
Jewellery Design Solutions

niche
designer jewellery

SILVER SMITH INDIA LIMITED

15TH ANNUAL REPORT

DATE: 31ST AUGUST, 2009

DAY: MONDAY

TIME: 11A.M.

Place: Saket Farm, D-3 Mall Road (Church Road), Vasant kunj, Delhi-110070

CONTENTS

| | |
|---|-------|
| CORPORATE INFORMATION | 2 |
| FROM THE MD'S DESK | 3 |
| NOTICE | 4-5 |
| DIRECTOR'S REPORT | 6-10 |
| CORPORATE GOVERNANCE DISCLOSURES | 11-20 |
| AUDITOR'S REPORT | 21-24 |
| BALANCE SHEET | 25 |
| PROFIT & LOSS ACCOUNT | 26 |
| SCHEDULE TO ACCOUNTS | 27-34 |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS | 35-42 |
| CASH FLOW STATEMENT | 43 |
| BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE | 44-45 |

CORPORATE INFORMATION

CHAIRMANMAN-CUM- MANAGING DIRECTOR : MR. B.K.NARULA

**DIRECTOR : Mrs. RITA NARULA, MR. ALOK MITTAL,
MR.V.P.MITTAL, MR.MAHESH PRASAD**

COMPANY SECRETARY : Ms. KOMAL RINGAN

**BANKERS : Oriental Bank of Commerce,
Bank of Baroda, HDFC Bank Ltd., IndusInd Bank Ltd.**

**STATUTORY AUDITORS : Khanna Gulati & Associates,
171, Somdutt Chamber-2,9, Bhikaji camaplace,
New Delhi-110066**

**REGISTERED OFFICE : Haveli No. 13,(ground Floor),
Hauz khas Village market, New Delhi-110016**

CORPORATE OFFICE : A-89, Sector-2, Noida 201301(U.P)

REGISTRAR&SHARE TRANSFER AGENT : M/s SKY LINE FINANCIAL SERVICE S PVT. LTD

264,1stFloor, Sant nagar, East of Kailash, New Delhi-110065

FROM THE MD'S DESK

Dear Shareholders,

It gives me immense pleasure to welcome you to the 15th Annual General Meeting of your Company.

During the year 2008-09, we saw an unprecedented and unimaginable down turn in the world economy which leads to the worst recession in 3 generations. The effects carried forward from previous year's US subprime crisis had cascading effects which lead to financial crisis worldwide. Almost all the sectors around the world be it manufacturing, retail, Jewellery, realty or services, were hit by the crisis resulting in mass cutting of jobs and filing of bankruptcy by some of the most reputed Companies. Our economy has also been badly hit by the recession and slowdown.

We are also facing tough conditions, as disclosed in the financial results your company has earned a reduced Turnover in the current year in comparison to that of the previous year. Despite our sincere efforts the sluggish economic growth in the country together with the stiff competition resulted in the poor off take of the finished product and an all round drop in profitability. Further there was lack of revival of capital market; all these factors had an adverse impact on the profits of your company.

Your company is also poised to streamline the operations in line with international standards. We hope that your company will recover its losses in the current financial year.

We are also planning to separate the activities of Jewellery Design & Technology Institute (JDTI) so that the profits of the Company should not be affected by the losses of JDTI and form an education society for the same. The Company is also heading towards launching brand in diamond, semi-precious, and precious studded gold and silver Jewellery by the name of "OJUS".

At this note I would like to thank all the stakeholders, bankers and business associated for having confidence in the Company.

As always, I continue to seek your good wishes and support for our vision and goal.

B.K. Narula
Chairman & Managing Director

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 15th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SILVER SMITH INDIA LIMITED WILL BE HELD ON MONDAY, THE 31ST DAY OF AUGUST, 2009 AT 11:00 A.M AT SAKET FARM, D-3 MALL ROAD (CHURCH ROAD), VASANT KUNJ, DELHI-110070 TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet for the year ended 31st March, 2009 the Profit & Loss Account as on that date together with Reports of Directors and Auditors thereon.
2. To appoint a director in place of Mr. V.P. Mittal, Director, who retires by rotation and being eligible offers himself for re- appointment.
3. To Appoint Auditors to hold Office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following Ordinary Resolution:

"RESOLVED THAT, consent of the members be and is hereby given to the Board of Directors to discontinue the educational activities of Jewellery Design & Technology Institute (JDTI).

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the aforesaid powers to any committee of Directors/officers, one or more director/managing director or any other principal officer of the Company on such conditions as the Board may deem fit and to take all such steps that may be required to give effect to this resolution."

By order of the Board of Directors

Place: New Delhi
Date: 16th July, 2009

SILVER SMITH INDIA LIMITED

(Komal Ringan)
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The enclosed proxy form, if intended to be used should reach the registered office of the company duly completed, stamped and signed not less than forty eight hours before the time fixed for the meeting.
3. Members are requested to bring their copy of Annual Report and duly filled and signed Attendance Slips and deposit them at the entrance of the meeting for attending the meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25th day of August 2009 to 31st day of August 2009 (both days inclusive)
6. The Company has entered into Agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Further, as per SEBI Notification dated 29th May 2000, trading in shares of the Company is now permitted only in dematerialized form. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.
7. Members are requested to promptly intimate change in their address, if any, at the Company's Registered Office.
8. Members seeking any further clarification/information relating to Annual Accounts are requested to write at the Registered Office of the Company at-least one week before date of meeting.

Explanatory Statement
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item 4:

At the Board meeting held on 16th July, 2009, the Board discussed the matter regarding the discontinuation of the JDTI activities and come to the conclusion that Jewellery industry all over the world is badly affected due to the recession hitting the world's economy. It has also badly affected the educational activities because of the fact that there are very less job opportunities in the market.

The losses in JDTI are also affecting the results of the Company which has also incurred losses in the present Financial Year. Therefore in the best interest of the shareholders, management of the Company and the students of JDTI the Board is of the opinion to Separate the working of JDTI from Silver Smith India Limited which will lease out its premises to JDTI at the prevailing market rate which shall be approximately Rs. 30, 00,000 p.a. (Rupees Thirty Lac). The Company is expanding in a bigger way as it is planning to launch brands in plain and studded gold Jewellery.

The Directors recommend passing of the resolution set out in Item 4 of the Notice. None of the Directors are concerned or interested in the above resolution.

Place: New Delhi
Date: 16th July, 2009

By order of the Board of Directors
SILVER SMITH INDIA LIMITED

(Komal Ringan)
Company Secretary

DIRECTOR'S REPORT

To,

The Members,

Your Directors are pleased to present the Fifteenth Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2009.

1. FINANCIAL RESULTS

| Particulars | Amount (Rs. in Lacs) Current Year | Amount (Rs. in Lacs) Previous Year |
|---|--------------------------------------|---------------------------------------|
| Total Income | 262.41 | 183.10 |
| Profit before Interest, Depreciation & Taxes | (14.51) | 61.84 |
| Less: Interest & Depreciation | 31.31 | 33.64 |
| Profit/(Loss) before Tax | (45.83) | 28.19 |
| Less: Provision for Tax | 3.25 | 4.29 |
| Profit/(Loss) after Tax | (47.75) | 24.07 |
| Add: Balance Brought forward from Previous Year | 40.38 | 16.31 |
| APPROPRIATIONS | | |
| I) Proposed Dividend on Equity Shares | N.A | N.A |
| II) Transfer to General Reserve | _____ | _____ |

2. DIVIDEND

The Directors regret their inability to recommend dividend on equity shares for the year ended 31st March 2009, in view of the current financial position of your company.

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Development

Your Company is engaged in the manufacturing and sale of Silver Jewellery and trading of Silver Articles. Your company has also diversified in the Design Development and Consultancy Works. The Company is in the process of launching a brand by the name "OJUS" for diamond, semi-precious and precious stones studded in gold and silver.

B. Opportunity and Threats

Your Company foresees great opportunity in this line of business. The efforts put in by the management may reap benefits in the long run.

C. Risk and Concern

Due to the recession hitting the world market every sector of the Indian economy was badly affected. In spite of the Company's efforts to revive JDTI, not much growth was seen. Therefore the Company is planning to discontinue the activities of JDTI and forming a separate society for the same. At present Company is only dependent on domestic demand, if recession continues the exports will be badly affected and due to that the Company would not be able to explore the export market.

D. Internal Control System and their Adequacy

Your company has proper and adequate system of Internal Controls to provide reasonable assurance that all assets are safeguarded and protected against any loss.

All the policies, procedures, guidelines, authorization and approval procedures are well documented

The Management periodically reviews the internal control system and its adequacy and report to the Board, observations, if any.

E. Discussion of Financial Performance with respect to Operational Performance

Your Company's gross turnover for the year ended March 31, 2009 was Rs. 262.41 Lacs as compared to Rs. 183.05 Lacs in the previous year.

There is a Operating loss of Rs. (45.83) Lacs in the present financial year due to fact that the investments are shown at cost (less diminution).

The Company is hopeful that during the recovery process in the Indian economy, it will set off its losses.

Other Income for the year stood as Rs. 10.19 Lacs mainly representing miscellaneous income.

Interest expenses were Rs. 0.65 Lacs.

Depreciation was at Rs. 30.67 as compared to Rs. 32.24 Lacs for the corresponding period of the previous year.

Last year there were 29 employees on the rolls of the Company.

3. CORPORATE GOVERNANCE

Report of the Directors on Corporate Governance is given separately and forms a part of this Annual Report.

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

4. DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. V.P. Mittal retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

5. LISTING OF SHARES

The shares of the company are listed at Bombay Stock Exchange Limited and the Annual listing fee for the year 2009-10 have been paid to the concerned Stock Exchange.

6. FIXED DEPOSITS

Your Company has not invited or accepted any deposits from the public with in the meaning of section-58A of the Companies Act 1956, during the year under report.

7. AUDITORS AND AUDIT REPORT

M/s Khanna Gulati & Associates, Chartered Accountant, New Delhi, Auditors of the Company, retire at the conclusion of this Annual General Meeting and, being eligible offer, themselves for reappointment.

The notes to the Account referred to in the Auditor's Report are self explanatory and therefore do not call for any further comments.

8. PARTICULARS AS PER SECTION-217 OF THE COMPANIES ACT 1956Employees

Remuneration to none of the employees attracts the provisions of Section 217(2A) of the Companies Act, 1956 and as such the statement as required there under, read with the Companies (Particulars of Employees) Rules 1975 is not attached with this report.

Information relating to the Conservation of Energy, Research & Development and Foreign Exchange Earnings and Outgo.

Your Company's operations involve low energy consumption and as such no special energy conservation measures were taken and accounted for except periodically monitoring energy consumption and creating awareness among all.

All the Company's operations are as per market requirements and have in house Research & Development Center, The R&D expenses are however not accounted under separate head.

9. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the newly inserted section 217(2AA) of Companies Act, 1956, regarding inclusion of "Director's Responsibility Statement" in the Board's Report, the directors hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of state of affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for that period.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other Irregularities.
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

10. **AKNOWLEDGEMENT**

We take this opportunity to express our deep sense of gratitude to the Institutions, Bankers, Central and State Government Departments, Local Authorities, our Associates and Customers for their continued guidance and support.

Your Directors would like to record their sincere appreciation of the dedicated efforts put in by across all levels in the Organization. And to you, shareholders, we are deeply grateful for the confidence and faith that you have reposed in us.

Regd Office:
Haveli No.13, (G.F)
Hauz Khas Village Market
New Delhi-110 016

For and on behalf of the Board
SILVER SMITH INDIA LIMITED
Sd/-
(B.K Narula)
CHAIRMAN & MANAGING DIRECTOR

Date: 16th Day of July 2009
Place: New Delhi

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of Silver Smith India Limited

1. We have examined the compliance of conditions of Corporate Governance by Silver Smith India Ltd for the year ended 31st March 2009, as stipulated in clause 49 of the Listing Agreement of the company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the Compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company. In our opinion and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as explained in the mentioned Listing Agreement.
3. We state that generally no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date : 30th day of June 2009
Place: New Delhi

For Khanna Gulati & Associates,
Chartered Accountants
Sd/-
Rohit khanna
(Partner)

CORPORATE GOVERNANCE REPORT

1. Corporate Governance Policies

Silver Smith India Limited continuously strives for excellence through adopting best governance and disclosure practices. The Company believes that the good corporate governance practices enables the organization to perform efficiently and ethically, generate long term wealth and create value for all the stakeholders. The corporate governance philosophy of the Company rests on the tenets of Board's accountability to the Company and shareholders, equitable treatment to all the shareholders, strategic guidance and effective monitoring by the Board and timely disclosure.

This section, along with the sections on additional shareholder information and management discussion and analysis in the annual report, constitutes compliance with Clause 49 of the Listing Agreement.

2. Board of Directors

Your Company has an optimum combination of executive and non-executive Directors to provide strategic guidance to the Company, effective over-seeing of the management, defining responsibilities of the senior management and ensuring accountability.

The Chairman of the Board of Directors is executive director whereas more that half of the Directors are non-executive and independent directors. The composition of the Board of Directors as on 31st March 2009 is as under:-

| Designation | Name of Director | Date of appointment | Date of Birth |
|-------------------------------------|-------------------|---------------------|---------------|
| Chairman and Managing Director | Mr. B. K. Narula | 01.06.1994 | 28.02.1954 |
| Whole Time Director | Mrs. Rita Narula | 01.06.1994 | 16.07.1958 |
| Non Executive Independent Directors | Mr. Alok Mittal | 27.08.1997 | 06.08.1958 |
| | Mr. V.P Mittal | 09.11.1994 | 24.01.1934 |
| | Mr. Mahesh Prasad | 26.03.2003 | 16.07.1935 |

Attendance of the Directors at the Board Meetings and at the last Annual General Meeting, outside Directorships and Board Committees is as under:

| S.No | Name of Directors | No of Board Meetings Attended ^a | Attendance at last AGM | No of Outside Directorships Held ^a | No of Memberships/chairmanships in Board Committee |
|------|-------------------|--|------------------------|---|--|
| 1. | Mr. B.K Narula | 6 | Present | 5 | 2 |
| 2. | Mrs. Rita Narula | 5 | Present | 3 | - |
| 3. | Mr. V.P Mittal | 5 | Not Present | 5 | 5 |
| 4. | Mr. Alok Mittal | 5 | Not Present | - | 3/3 |
| 5. | Mr. Mahesh Prasad | 2 | Not Present | 1 | 1 |

^a Attendance of the Director at the Board Meetings during the relevant period

^b Directorships in companies registered under the Companies act 1956 excluding the Directorships of Private Companies, Section-25 Companies and alternate directorships

^cMemberships/Chairmanships of Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee only taken into A/c

No non executive Directors has any pecuniary relationship vis-à-vis the company other than the sitting fees for attending the Board Meetings

None of the Directors of the Company was the member of more than 10 committees nor was the Chairman of more than 5 Committees across all Companies in which he was a director.

3. Board Meetings held during the year 2009-2010

Six (6) Board Meetings were held during the financial year ended March 31, 2009. The dates on which the Board meetings held were as follows: 1) May 09, 2008; 2) June 30, 2008; 3) July 31, 2008; 4) August 22, 2008; 5) October 30, 2008; 6) January 28, 2009. The maximum time gap between any two meetings was not more than four months.

4. Directors

No new Directors were appointed by the Company during the year ended 31st March 2009.

Mr. V.P. Mittal, Director of the Company is liable to retire by rotation at the ensuing General Meeting of the shareholders and is eligible to offer for re-appointment

5. Audit Committee

The company has an audit committee consisting of three Independent and Non Executive Directors viz. Mr. Alok Mittal, Mr. V.P Mittal, Mr. Mahesh Prasad. There had been four audit committee meetings in the year ended 31st March 2009. The dates are 1) June 30, 2008; 2) July 31, 2008; 3)October 30, 2008 and 4) January 28, 2009. The terms of reference of Audit Committee are as per the requirements of the Listing Agreement Clause-49 and Section 292A of the Companies Act 1956.

| S.No. | Name | Designation | No. Of Audit Committee meetings Attended |
|-------|-------------------|-------------|--|
| 1. | Mr. Alok Mittal | Chairman | 4 |
| 2. | Mr. V. P. Mittal | Member | 3 |
| 3. | Mr. Mahesh Prasad | Member | 1 |

Amongst other things, the terms of Reference to the Audit Committee included:

- Annual operating plans and budgets and any updates.
- Review of annual and half yearly financial statements before submission to the Board
- Review of the un-audited Quarterly results for the Company.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment of goods sold by the Company.
- Review of the draft audit report including the quarterly/half yearly financial statements
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Non-compliance of any regulatory, statutory nature or listing requirements.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Review with the management and the external auditors the adequacy of the internal control system.
- Any related party transactions entered by the company and the records thereto.
- Discussion and review of the findings of the external auditors.
- Discussion with the external auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the Management's Financial and risk Management policies.

6. Remuneration Committee

The Board of directors of the Company has constituted a remuneration committee comprising of three independent non-executive directors viz. Mr. Alok Mittal (Chairman), Mr. V P Mittal and Mr. Mahesh Prasad.

The Remuneration Committee has been constituted to approve/recommend/ review the remuneration package of the Managing/Whole Time Directors, based on defined criteria and their contribution. When a reference is made to the Remuneration Committee, it takes into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration and recommends such that is in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

The remuneration policy is directed towards rewarding performance, based on review of the achievements on a periodical basis, and is in consonance with the existing industry practice. Remuneration payable to Executive Directors for the year ended 31st March 2009

| Name of Directors | Salary and other allowances | Perquisites | Commission/ex-gratia | Contribution to PF | TOTAL |
|-------------------|-----------------------------|---------------|----------------------|--------------------|----------------|
| Mr. B.K Narula | Rs. 4,03,200.00 | Rs. 80,640.00 | NIL | NIL | Rs.4,83,840.00 |
| Mr. Rita Narula | Rs. 3,60,000.00 | NIL | NIL | NIL | Rs.3,60,000.00 |

The Company pays sitting fee to all the non-executive directors. The total sitting fees payable to the non-executive directors for the year ended 31st March 2009

| Name | Fees Payable (Rs.) |
|-------------------|--------------------|
| Mr. Alok Mittal | 4000.00 |
| Mr. V. P. Mittal | 4000.00 |
| Mr. Mahesh Prasad | 2000.00 |

7. Shareholder's/Investor's Grievance Committee

The Board of Directors of the Company has constituted a Shareholder's / Investor's Grievance Committee comprising of directors namely Mr. Alok Mittal, Mr. V. P. Mittal and Mr. B. K. Narula. The Committee, inter alia, looks into Redressal of Shareholder's complaints like transfer of shares, non-receipt of balance sheets, non-receipt of declared dividend etc. It also oversees the performance of the Registrar and Share Transfer Agents, so as to ensure expeditious share transfer process.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was NIL. None of the transfer or dematerialization request was pending for approval as on March 31, 2009.

8. General Body Meetings

Date time and venue of the last three Annual General Meetings are given in the below table

| Financial Year (ended) | Date | Time | Venue |
|------------------------|--------------------|------------|---|
| March 31, 2005 | September 27, 2005 | 11.00 a.m. | New Delhi YMCA Tourist Hostel, Foyer Hall, Jai Singh Road, New Delhi-110070 |
| March 31, 2006 | September 28, 2006 | 10.00 a.m. | D3 Church road, Kishan Garh, Near Vasant Kunj, Delhi-110070 |
| March 31, 2007 | September 28, 2007 | 10.00 a.m. | D3 Mall Road (Church road), Vasant Kunj, Delhi-110070 |
| March 31, 2008 | September 30, 2008 | 11.00 a.m. | D3 Mall Road (Church road), Vasant Kunj, Delhi-110070 |

Special Resolutions passed during previous three AGM's

| | |
|--------------------|------|
| September 28, 2006 | NONE |
| September 28, 2007 | NONE |
| September 30, 2008 | NONE |

During the last year ended March 31, 2009, there have been no resolutions passed by the Company's shareholders through postal ballot.

At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

9. Disclosures

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or relatives etc. that may have potential conflict with the interests of the Company at large.**

None of the transactions with related parties were in conflict with the interests of the Company.

- Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges on SEBI, or and statutory authority, on any matter related to Capital market, during the last three years.**

10. Means of Communication

- Half yearly un-audited financial results**

Half yearly un-audited financial results for the half-year ended September 30, 2009 will be published in leading English and Hindi daily newspapers and will be circulated to each household of shareholders.

b) Quarterly Results

The quarterly results for the first, second, third quarters and the audited yearly results were published in "The Business Standard" and "Veer Arjun".

The Company is registered with the EDIFAR (Electronic Data Information Filing and Retrieval) site of SEBI, which is. The Company is filing online, the quarterly results, shareholding pattern from the quarter ended 31st March 2003 and the full version of corporate governance report & Annual Report w.e.f. the financial year 2002-03.

The web site of the company www.silversmithindia.com is being upgraded and renovated so as to include the display of company's quarterly, half yearly and yearly results together with important official news releases.

No presentations were made to Institutional Investors or to Analysts.

Management Discussion and Analysis Report forms part of this Annual report.

11. Compliance with other mandatory requirements**(a) Management Discussion and Analysis**

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV) (F) of the Listing Agreement.

(b) Secretarial Audit for reconciliation of capital

A qualified Practicing Chartered Accountant has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL. The Company had submitted the secretarial audit report to BSE within 30 days from the end of each quarter in accordance with the SEBI requirements.

(c) Code for prevention of Insider Trading

The Company has a comprehensive code on prevention of insider trading. The Code is in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.

(d) CEO/CFO Certification

A certificate from Chairman & Managing Director and Executive Director was placed before the Board.

(e) Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

12. General Shareholder Information

12.1 Annual General Meeting

Date : 31st day of August 2009

Time : 11:00 AM

Venue : Saket farm,D-3 Mall Road (Church Road) Vasant kunj, Delhi-110 070

12.2 Financial Calendar (Tentative) : The Company follows the financial year from 1st April to 31st March

- Results for the quarter ending June 30, 2009: Last week of the July, 2009
- Results for the Quarter ending Sep. 30, 2009: Last week of the October, 2009
- Results for the Quarter ending Dec. 31, 2009: Last week of the January, 2010
- Results for the Quarter ending Mar. 31, 2010: Last week of the April/June, 2010

12.3 Book Closure date : 25th day of August 2009 to 31st day of August 2009 (both days inclusive)

12.4 Dividend payment date : Not applicable, The Board has not recommended any dividend during the year.

12.5 Listing on Stock Exchanges : Bombay Stock Exchange, Mumbai

Annual listing fee for the year 2009-10 have been paid to the concerned Stock Exchanges.

12.6 Stock Code : 531626 (MSE)

Trading symbol : SILVERSMITH

| Month | Year | Month's High Price (Rs.) | Month's Low Price (Rs.) |
|-----------|------|--------------------------|-------------------------|
| April | 2008 | 33.05 | 22.70 |
| May | 2008 | 47.70 | 29.00 |
| June | 2008 | 67.95 | 44.00 |
| July | 2008 | 79.90 | 49.00 |
| August | 2008 | 96.70 | 70.55 |
| September | 2008 | 91.00 | 62.90 |
| October | 2008 | 75.00 | 26.45 |
| November | 2008 | 30.30 | 18.55 |
| December | 2008 | 20.40 | 15.25 |
| January | 2009 | 23.55 | 11.55 |
| February | 2009 | 13.72 | 10.48 |
| March | 2009 | 11.01 | 8.20 |

De-mat ISIN number : INE628B01018

12.7 Stock Market Data : **Bombay Stock Exchange Limited**

12.8 Registers and Share Transfer Agents : **Skyline Financial Services Pvt. Ltd.**
246, 1ST Floor, Sant Nagar, East of Kailash,
New Delhi-110065

12.9 Share Transfer System

The share transfers, which are received in physical form, are processed and the share certificates returned within a period of 4 weeks from the date of receipt, subject to the documents being valid and complete in all respects. The company has, as per SEBI Guidelines dated 18th February 2000, offered the facility of transfer cum demat. Under the said system, after the share transfer is affected, an Option Letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to demat the shares, to approach a Depository Participant (DP) with the Option Letter. The DP, based on the Option letter, generates a demat request and sends the same to the Company along with the Option Letter issued by the Company. On receipt the same, the Company dematerializes the shares. In case the transferee does not wish to dematerialize shares, he need not exercise the option and the Company will dispatch the share certificates after 30 days from the date of such Option Letter.

12.10 Distribution of Shareholding as on March 31, 2009:

Shareholding pattern for year ended 31st March 2009:

| Statement Showing Shareholding Pattern | | | | | | | |
|--|--|-----------------------------------|--|------------------------|--|------------|--|
| Name of the Company : | | SILVER SMITH INDIA LIMITED | | | | | |
| Scrip Code : | | 531626 | | Quarter Ended : | | 31/03/2009 | |

| Category code | Category of Shareholder | Number of Shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|---------------|---|------------------------|------------------------|--|--|----------------------------|--|-----------------|
| | | | | | As a percentage of (A+B) ¹ | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (A) | Shareholding of Promoter and Promoter Group | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family | 6 | 1639859 | 1637059 | 39.69 | 39.69 | 0.00 | 0.00 |
| (b) | Central Government/ State Government(s) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (c) | Bodies Corporate | 2 | 957550 | 957550 | 23.18 | 23.18 | 0.00 | 0.00 |

| | | | | | | | | |
|------------|---|----------|----------------|----------------|--------------|--------------|-------------|-------------|
| (d) | Financial Institutions/ Banks | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (e) | Any Others(Specify) | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (e-i) | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (e-ii) | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub Total(A)(1) | 8 | 2597409 | 2597409 | 62.87 | 62.87 | 0 | 0 |
| 2 | Foreign | | | | | | | |
| a | Individuals (Non-Residents Individuals/Foreign Individuals) | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| b | Bodies Corporate | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| c | Institutions | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| d | Any Others(Specify) | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| d-i | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| d-ii | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub Total(A)(2) | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 8 | 2597409 | 2597409 | 62.87 | 62.87 | 0 | 0 |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (b) | Financial Institutions / Banks | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (c) | Central Government/ State Government(s) | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (d) | Venture Capital Funds | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (e) | Insurance Companies | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (f) | Foreign Institutional Investors | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (g) | Foreign Venture Capital Investors | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (h) | Any Other (specify) | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (h-i) | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| (h-ii) | | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| | Sub-Total (B)(1) | 0 | 0 | 0 | 0.00 | 0.00 | 0.00 | 0.00 |

| | | | | | | | | |
|------------|--|------------|----------------|----------------|--------------|--------------|-------------|-------------|
| B 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 81 | 967850 | 886650 | 23.43 | 23.43 | 0.00 | 0.00 |
| (b) | Individuals | | | | | | | |
| I | Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh | 795 | 369032 | 302411 | 8.93 | 8.93 | 0.00 | 0.00 |
| II | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 11 | 192408 | 142508 | 4.66 | 4.66 | 0.00 | 0.00 |
| (c) | Any Other (specify) | | | | | | | |
| (c-i) | Non Resident Indian | 7 | 4901 | 4901 | 0.12 | 0.12 | 0.00 | 0.00 |
| (c-ii) | | | | | | | | |
| | Sub-Total (B)(2) | 894 | 1534191 | 1336470 | 37.13 | 37.13 | 0.00 | 0.00 |
| (B) | Total Public Shareholding (B)= (B)(1)+(B)(2) | 894 | 1534191 | 1336470 | 37.13 | 37.13 | 0.00 | 0.00 |
| | TOTAL (A)+(B) | 902 | 4131600 | 3931079 | 100 | 100 | 0.00 | 0.00 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | 0.00 | 0.00 | 0.00 | 0.00 |
| | GRAND TOTAL (A)+(B)+(C) | 902 | 4131600 | 3931079 | 100 | 100 | 0.00 | 0.00 |

Distribution of Shareholding as on 31st March 2009

| Shareholding | Number of shareholders | Share amount | Percentage of total |
|-----------------|------------------------|-------------------|---------------------|
| Up to 500 | 688 | 91638 | 2.22 |
| 501 to 1000 | 80 | 70075 | 1.70 |
| 1001 to 2000 | 40 | 64254 | 1.56 |
| 2001 TO 3000 | 25 | 66102 | 1.60 |
| 3001 to 4000 | 5 | 16761 | 0.41 |
| 4001 TO 5000 | 13 | 61011 | 1.48 |
| 5001 TO 10000 | 18 | 120617 | 2.92 |
| 10001 and above | 33 | 3641142 | 88.13 |
| Total | 902 | 4131600.00 | 100.00 |

12.11 Dematerialization of Shares:

Over 3931079 i.e., 95.14% of the Company's paid - up equity Share Capital has been dematerialized up to March 31, 2009. Trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by Securities and Exchange Board of India (SEBI).

**12.12 Outstanding ADRs/ GDRs/
Warrants or any convertible
Instruments conversion date
And likely impact on equity** : Not Applicable**12.13 Plant :** A-89, Sector-2 Noida 201301**12.14. Address for Investor Correspondence** ➤ **Skyline Financial Services Pvt. Ltd.**
246, 1st Floor, Sant Nagar, East of Kailash
New Delhi- 110065

➤ **Ms. Komal Ringan**
Company Secretary & Compliance Officer
Secretarial Department,
Silver Smith India Limited
A-89, Sector-2, Noida- 201301 (U.P)**12.15 E-Mail for investors** : silversm@vsnl.com**12.16 Registered Office** : Haveli No. 13, Hauz Khas Village Market
New Delhi-110 016**DECLARATION BY THE CHAIR MAN UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with sub-clause 1(d) of Listing Agreement with stock exchange, I hereby confirm that all directors & senior management personnel of the company have affirmed compliance with the code of conduct as applicable to them for the financial year ended March 31, 2009.

For and on behalf of the Board
SILVER SMITH INDIA LIMITED
(B.K. Narula)
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' REPORT

To the Members of
Silver Smith India Ltd.

We have audited the attached Balance Sheet of Silver Smith India Ltd. as on 31st March 2009, the related Profit & Loss Account and Cash Flow Statement 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.

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 disclosure 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.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
2. 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 purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of the written representation received from the directors, as on 31st March 2009, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said 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 so far as relates to the Balance Sheet of the state of affairs of the Company as at 31st March 2009.
 - ii. in so far as relates to the Profit & Loss Account, on the Loss of the company for the year ended on that date ; and
 - iii. in so far as relates to the Cash Flow Statement, of the cash flow for the year ended on the date.

for Khanna Gulati & Associates
Chartered Accountants
(Rohit Khanna)
Partner
M. No. 84878

Place: New Delhi
Date: 30th June 2009

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 1 of the Auditors' Report to the Members of Silver Smith India Ltd. on the Accounts for the Year ended 31st March 2009.

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed of by the Company during the year.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) As informed, the Company has granted loan to three Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs.3,852,937 and year ended balance of loan given to such party was Rs.2,583,000.
- b) As informed, the Company has not taken any loan from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clause 4(iii) (a) to 4 (ii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
- c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima Facie, prejudicial to the interest of the company.
- d) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained in section 301 of the Act have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the

Companies Act, 1956 and exceeding the value of Rs.5 Lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vi) The Company has not accepted any deposits from the public. Accordingly, paragraph 4 (vi) of order is not applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and other material statutory dues applicable to it *except delays of few days in TDS*. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty and excise duty were in arrears as at 31st March 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- xv) In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi) According to the information and explanations given to us, the Company has not taken any term loan. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xvii) According to the information and explanations given to us, the Company and on overall examination of the Balance Sheet of the company, we report that the no funds raised on a short-term basis which have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) During the period covered by our Audit Report, the Company has not raised any money by public issues. Therefore, the provisions of clause (xx) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information's and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for Khanna Gulati & Associates
Chartered Accountants
(Rohit Khanna)
Partner
M. No.084878

Place: New Delhi
Date: 30th June 2009

| SILVER SMITH INDIA LTD., NEW DELHI BALANCE SHEET AS AT 31ST MARCH, 2009 | | | |
|---|----------|---------------------------------|---------------------------------|
| | Sch. No. | As at 31-3-2009 Amount (Rs.) | As at 31-3-2008 Amount (Rs.) |
| <u>SOURCES OF FUNDS</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 41,316,000 | 41,316,000 |
| Share Warrants | | 4,317,600 | - |
| Reserves and Surplus | | - | 4,038,232 |
| Loan Funds | | | |
| Secured Loans | 2 | 140,112 | 2,461,780 |
| Total | | 45,773,712 | 47,816,012 |
| <u>APPLICATION OF FUNDS</u> | | | |
| Fixed Assets | | | |
| Gross Block | 3 | 54,072,153 | 53,481,951 |
| Less : Depreciation | | 30,335,371 | 27,268,512 |
| Net Block | | 23,736,782 | 26,213,439 |
| Investments | 4 | 7,777,435 | 7,708,955 |
| Current Assets, Loans and Advances | 5 | | |
| Inventory | | 7,314,100 | 5,849,608 |
| Sundry Debtors | | 1,930,673 | 5,533,898 |
| Cash and Bank Balances | | 1,232,985 | 3,783,126 |
| Loans and Advances | | 4,842,172 | 2,306,540 |
| | | 15,319,930 | 17,473,172 |
| Less : Current Liabilities and Provisions | 6 | 2,677,979 | 4,112,309 |
| Net Current Assets | | 12,641,951 | 13,360,863 |
| Deferred Tax Assets / (Liabilities)(Net) | 7 | 319,351 | 72,337 |
| Miscellaneous Expenditure | 8 | - | 460,418 |
| (to the extent not written off or adjusted) | | | |
| Profit and Loss Account | | | |
| Total | | 45,773,712 | 47,816,012 |
| | | - | |
| Notes to accounts | 14 | | |
| <div> <div>For & on behalf of the Board of Directors</div> <div> <div>(B. K. Narula) Managing Director</div> <div>(Alok Mittal) Director</div> <div>(Rita Narula) Director</div> <div>Rohit Khanna Partner M. No. 84878</div> </div> <div> <div>Place : New Delhi</div> <div>Dated : 30th June 2009</div> </div> </div> <div> <div>As per our Report of even date</div> <div>For Khanna Gulati & Associates,</div> <div>Chartered Accountants.</div> </div> | | | |

| SILVER SMITH INDIA LTD., NEW DELHI PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009 | | | |
|---|---------------------------|--|---|
| | Sch. No. | As at 31-3-2009 Amount (Rs.) | As at 31-3-2008 Amount (Rs.) |
| INCOME | | | |
| Income from Operations | 9 | 25,221,179 | 17,110,719 |
| Other Income | 10 | 1,019,322 | 1,194,872 |
| Total | | 26,240,501 | 18,305,591 |
| EXPENDITURE | | | |
| Cost of Goods Sold | 11 | 11,113,538 | 3,943,647 |
| Manufacturing & Conversion Expenses | 12 | 474,228 | 337,109 |
| Administrative and Other Expenses | 13 | 16,168,709 | 7,981,406 |
| Depreciation | | 3,066,857 | 3,224,314 |
| Total | | 30,823,332 | 15,486,476 |
| PROFIT/(LOSS) BEFORE TAXATION | | (4,582,831) | 2,819,115 |
| Less : Provision for Taxation | | 324,983 | 428,658 |
| Less : Provision for Fringe Benefit Tax | | 114,000 | 113,257 |
| Less : Provision for Deferred Taxation | | (247,014) | (129,727) |
| PROFIT/(LOSS) AFTER TAXATION | | (4,774,800) | 2,406,927 |
| Less: Taxes Paid for earlier years | | 1,140 | - |
| Less : Prior Period adjustments | | 462,315 | - |
| PROFIT/(LOSS) Available for Appropriation | | (5,238,255) | 2,406,927 |
| Add : Profit /(Loss) Brought Forward | | 4,038,232 | 1,631,305 |
| Less: Employees Benefit Adjustment | | (98,170) | - |
| Profit/ (Loss) Transferred to Balance Sheet | | (1,298,193) | 4,038,232 |
| Basic and diluted Earning per Share | | (1.16) | 0.58 |
| Notes to Accounts | 14 | | |
| For & on behalf of the Board of Directors | | As per our Report of even date For Khanna Gulati & Associates Chartered Accountants | |
| (B. K. Narula) Managing Director | (Alok Mittal) Director | (Rita Narula) Director | Rohit Khanna Partner M. No. 84878 |
| Place : New Delhi Dated : 30th June 2009 | | | |

| SILVER SMITH INDIA LTD., NEW DELHI Schedules to Balance Sheet as at 31st March, 2009 | | |
|---|---|---|
| | As at 31-3-2009 Amount (Rs.) | As at 31-3-2008 Amount (Rs.) |
| 1. SHARE CAPITAL : AUTHORISED : 55,00,000 (previous year 55,00,000) Equity Shares of Rs 10/- each | 55,000,000 | 55,000,000 |
| | 55,000,000 | 55,000,000 |
| Issued, Subscribed : 50,40,000 (previous year 50,40,000) Equity Shares of Rs.10/- each | 50,400,000 | 50,400,000 |
| Paid up : 41,31,600 (previous year 41,31,600) Equity Shares of Rs. 10/- each fully paid up | 41,316,000 | 41,316,000 |
| | 41,316,000 | 41,316,000 |
| 2. Secured Loans : Loans and Advances from Bank Bank Overdraft <i>(Secured against fixed deposit with Bank)</i> Other Loans and Advances Vehicle Loans <i>(Secured against Hypothecation of relevant Vehicles)</i> | - 140,112 | 1,736,938 724,842 |
| | 140,112 | 2,461,780 |

3.

SCHEDULE OF FIXED ASSETS AS ON 31.3.2009 [AS PER Companies Act 1956]

| Particulars | COST | | | | DEPRECIATION | | | | WDV | |
|-------------------------|---------------------------|------------------|---------------------|--------------------------|-------------------|------------------|------------------|--------------------------|--------------------|--------------------|
| | Total As on 01.04.2009 | Addition | Sales / Disposal | Total As on 31.3.2009 | As On 1.4.2009 | For the year | Adjustment | Total As On 31.3.2009 | As on 31/3/2009 | As on 31/3/2008 |
| Building | 11,590,766 | - | - | 11,590,766 | 7,180,420 | 441,035 | - | 7,621,454 | 3,969,311 | 4,410,346 |
| Computers | 2,726,214 | - | - | 2,726,214 | 2,445,518 | 112,278 | - | 2,557,797 | 168,417 | 280,696 |
| Furniture & Fittings | 7,316,533 | 152,198 | - | 7,468,731 | 5,063,587 | 563,389 | - | 5,626,976 | 1,841,755 | 2,252,946 |
| Land | 4,152,041 | - | - | 4,152,041 | - | - | - | - | 4,152,041 | 4,152,041 |
| Plant & Machinery | 15,943,833 | 437,060 | - | 16,380,893 | 9,717,739 | 920,589 | - | 10,638,328 | 5,742,564 | 6,226,093 |
| Vehicle | 5,968,276 | - | - | 5,968,276 | 2,200,929 | 975,366 | - | 3,176,295 | 2,791,981 | 3,767,347 |
| Web Portal-JYTT | 3,596,140 | - | - | 3,596,140 | 61,085 | - | - | 61,085 | 3,535,055 | 3,535,055 |
| Library Books & Props | 1,046,911 | 945 | - | 1,047,856 | - | - | - | - | 1,047,856 | 1,046,911 |
| Lease Hold Improvements | 1,141,237 | - | - | 1,141,237 | 599,236 | 54,200 | - | 653,436 | 487,801 | 542,001 |
| Current year | 53,481,950 | 590,203 | - | 54,072,153 | 27,268,514 | 3,066,857 | - | 30,335,371 | 23,736,782 | 26,213,436 |
| Previous Year | 53,696,181 | 1,812,156 | 2,026,387 | 53,481,950 | 25,236,250 | 3,224,314 | 1,192,050 | 27,268,514 | 26,213,436 | 28,459,931 |

| 4 INVESTMENTS | | | | | |
|--|-----------------|--------|-------------------|-----------------|------------------|
| Particulars | As at 31.3.2009 | | | As at 31.3.2008 | |
| | Face Value | Nos. | Value (Rs) | Nos. | Value (Rs) |
| CURRENT INVESTMENTS (at cost/book value) | | | | | |
| A Trade Quoted (fully paid up) | | | | | |
| Maharashtra Seamless Ltd. | 10/- | 2,500 | 748,328 | - | - |
| Jindal Saw Pipes Ltd. | 10/- | 1,400 | 1,268,374 | 1,400 | 1,268,374 |
| Jindal Drilling Ltd. | 5/- | 1,000 | 718,645 | - | - |
| Precision Pipes & Profiles Company Ltd. | 10/- | 67,500 | 4,915,096 | 27,321 | 1,986,572 |
| Ranbaxy Laboratories Ltd. | 5/- | - | - | 2,000 | 890,509 |
| Total | | | 7,650,443 | | 4,145,455 |
| B Non Trade Unquoted (fully paid up) | | | | | |
| Electrolux Kelvinator Ltd. | 10/- | 2,850 | 154,850 | 2,850 | 154,850 |
| B.K.Overseas Limited | 100/- | 19,010 | 1,938,650 | 19,010 | 1,938,650 |
| Citizen Co-operative Bank Ltd. | 25/- | 800 | 20,000 | 800 | 20,000 |
| Corporate Research & Intelligence Services Ltd. | 10/- | 20,000 | 200,000 | 20,000 | 200,000 |
| Goswami Credit & Investment (P) Ltd | 10/- | 50,000 | 500,000 | 50,000 | 500,000 |
| Sukarma Finance Ltd. | 10/- | 75,000 | 750,000 | 75,000 | 750,000 |
| Total | | | 3,563,500 | | 3,563,500 |
| C Investment in the Capital of Partnership Firm | | | | | |
| JDTI Chandigarh | | | 1,300,000 | | - |
| Total | | | 1,300,000 | | - |
| Grand Total (A+B+C) | | | 12,513,943 | | 7,708,955 |
| Less: Provision for diminution in value of Current Investment | | | 4,736,508 | | - |
| Total - Investments | | | 7,777,435 | | 7,708,955 |
| Note :- Investments are shown at cost.(less dimunition) | | | | | |
| Book Value of Quoted Investments | | | 7,650,443 | | 4,145,455 |
| Market Value of Quoted Investments | | | 2,913,935 | | 3,778,175 |

5. CURRENT ASSETS, LOANS & ADVANCES
Inventories *(As taken, valued and certified by the Management)*

| | | |
|-----------------------|------------------|------------------|
| Raw Materials | 302,164 | 340,280 |
| Finished Goods | 6,784,156 | 5,064,432 |
| Packing Material | 55,600 | 74,620 |
| Consumables | 148,230 | 194,038 |
| Printing & Stationary | 23,950 | 176,238 |
| | <u>7,314,100</u> | <u>5,849,608</u> |

Sundry Debtors
(Unsecured and considered Good)

| | | |
|------------------------------|------------------|------------------|
| Debts more than 6 months old | 1,768,893 | 2,377,327 |
| Debts less than 6 months old | 161,780 | 3,156,571 |
| | <u>1,930,673</u> | <u>5,533,898</u> |

Cash & Bank Balances

| | | |
|--|---------|---------|
| Cash in hand <i>(as certified by the Management)</i> | 110,098 | 303,412 |
|--|---------|---------|

Bank Balances with Scheduled Banks

| | | |
|----------------------------|---------|-----------|
| In Current Accounts | 956,998 | 196,542 |
| In Term Deposits* | 165,889 | 3,283,172 |

*Pledged with Sales Tax Authority for Rs.1,65,889
(previous year Rs. 1,29,066)

| | |
|------------------|------------------|
| <u>1,232,985</u> | <u>3,783,126</u> |
|------------------|------------------|

Loans & Advances *(Unsecured and considered good)*

| | | |
|--|------------------|------------------|
| Advances recoverable in cash or in kind or for value to be received* | 3,423,510 | 747,115 |
| Duties & Taxes Receivable | 1,289,087 | 1,222,460 |
| Interest Accrued on FDR | - | 220,434 |
| Prepaid Expenses | 129,575 | 116,531 |
| | <u>4,842,172</u> | <u>2,306,540</u> |

* Includes amount due from companies under the same management of Rs.2,583,000 (previous year Rs.Nil). The maximum amount due during the year was Rs.3,852,937 (previous year Rs.Nil)

| 6. CURRENT LIABILITIES AND PROVISIONS | | |
|--|------------------|------------------|
| Current Liabilities | | |
| Course Fees received in Advance | 490,966 | 2,132,295 |
| Creditors | 70,832 | - |
| Duties & Taxes | 19,400 | 21,362 |
| Expenses Payable | 179,899 | 148,765 |
| Other Liabilities | 587,479 | 533,757 |
| Library Security | 22,000 | 26,000 |
| | <u>1,370,576</u> | <u>2,862,179</u> |
| Provisions for | | |
| Income Tax | 964,147 | 1,029,667 |
| Fringe Benefit Tax(Net of advance Fringe Benefit Tax) | - | 8,360 |
| Gratuity | 258,455 | 110,302 |
| Leave Encashment | 84,801 | 101,801 |
| | <u>1,307,403</u> | <u>1,250,130</u> |
| | <u>2,677,979</u> | <u>4,112,309</u> |
| 7. DEFERRED TAX ASSETS (LIABILITIES) | | |
| <u>Deferred Tax Assets</u> | | |
| Retirement Benefits | 109,639 | 81,148 |
| Accumulated Depreciation | 209,712 | - |
| | 319,351 | 81,148 |
| <u>Deferred Tax Liability</u> | | |
| Accumulated Depreciation | - | 8,814 |
| | <u>319,351</u> | <u>72,337</u> |
| 8. MISCELLANEOUS EXPENDITURE | | |
| <i>(To the extent not written off or adjusted)</i> | | |
| Project Expenses | - | 460,418 |
| | - | <u>460,418</u> |

| | | |
|---|-------------------|-------------------|
| 9. INCOME FROM OPERATIONS | | |
| Sales | 14,061,248 | 7,144,334 |
| Course Fees, Consultancy & Designing Income | 11,159,931 | 9,966,385 |
| | <u>25,221,179</u> | <u>17,110,719</u> |
| 10. OTHER INCOME | | |
| Interest & Dividend | 670,966 | 312,351 |
| Miscellaneous Income | 348,356 | 882,521 |
| | <u>1,019,322</u> | <u>1,194,872</u> |
| 11. COST OF GOODS SOLD | | |
| A. Opening Stock : | | |
| Raw Material | 340,280 | 273,528 |
| Finished Goods | 5,064,432 | 4,092,407 |
| Packing Material | 74,620 | 80,863 |
| Consumables | 194,038 | 175,767 |
| Printing & Stationary | 176,238 | 185,694 |
| Total (A) | <u>5,849,608</u> | <u>4,808,259</u> |
| B. Add : Purchase | | |
| Raw Material | 2,603,201 | 88,445 |
| Finished Goods | 9,575,334 | 4,482,959 |
| Packing Material | 14,768 | 11,892 |
| Consumables | 255,937 | 206,638 |
| Printing & Stationary | 128,790 | 195,062 |
| Total (B) | <u>12,578,030</u> | <u>4,984,996</u> |
| Total (A+B) | <u>18,427,638</u> | <u>9,793,255</u> |
| C. Less : Closing Stock | | |
| Raw Material | 302,164 | 340,280 |
| Finished Goods | 6,784,156 | 5,064,432 |
| Packing Material | 55,600 | 74,620 |
| Consumables | 148,230 | 194,038 |
| Printing & Stationary | 23,950 | 176,238 |
| Total (C) | <u>7,314,100</u> | <u>5,849,608</u> |
| Total (A+B-C) | <u>11,113,538</u> | <u>3,943,647</u> |

| | | |
|--|-----------------------|-----------------------|
| 12. MANUFACTURING & CONVERSION EXPS | | |
| Job Work & Designing Charges | 78,283 | 72,921 |
| Wages | 395,945 | 264,188 |
| | <u>474,228</u> | <u>337,109</u> |
| 13. ADMINISTRATIVE AND OTHER EXPENSES | | |
| Advertisement | 1,007,855 | 475,859 |
| Audit Fee | 46,326 | 47,191 |
| Bad Debts | 2,234,483 | 91,302 |
| Bank Charges | 7,066 | 5,819 |
| Bonus Expenses (2008-09) | 62,125 | 94,722 |
| Books & Periodicals | 6,270 | 4,172 |
| Business Promotion | 20,742 | 16,910 |
| Computer Expenses | 49,373 | 69,742 |
| Demat Expenses | 18,295 | 14,508 |
| Directors' Remuneration | 763,200 | 763,200 |
| Diwali Expenses | 43,434 | 5,300 |
| Donation | 63,051 | 10,000 |
| Electricity & Water Charges | 526,697 | 479,662 |
| Entertainment Expenses | 5,658 | 11,469 |
| ESIC | 45,441 | 44,466 |
| Ex- Gratia | 118 | 19,150 |
| Exhibition & Fair Expenses | 323,044 | 220,460 |
| Filling Fee | 2,791 | 6,330 |
| Freight & Forwarding Expenses | 2,975 | 15,732 |
| Generator Running & Maintenance | 218,721 | 187,309 |
| Gratuity | 22,683 | 26,278 |
| Insurance Expenses | 156,079 | 157,332 |
| Interest on Loans | 64,619 | 140,237 |
| Internet & Web Expenses | 68,141 | 68,273 |
| Lease Rent | 94,716 | 94,716 |

| | | |
|---|-------------------|------------------|
| Leave Encashment | 10,300 | 3,201 |
| Legal & Professional Charges | 509,631 | 429,249 |
| Listing Fees | 20,073 | 19,073 |
| Loss on Sale of Commodities | 464,308 | - |
| Medical Expenses | 7,023 | 8,366 |
| Meeting Expenses | 44,140 | 34,931 |
| Membership Fees & Subscription | 38,476 | 33,873 |
| Miscellaneous Expenses | 15,626 | 18,959 |
| Office Maintenance Expenses | 327,004 | 210,385 |
| P.F. Employer's Contribution | 78,280 | 79,962 |
| Photostat Expenses | 29,011 | 23,415 |
| Pollution & Licence Fee | 8,972 | 4,873 |
| Postage, Telegram & Courier | 46,930 | 34,175 |
| Provision for Diminution in Value of Current Investments | 4,736,508 | - |
| Rates & Taxes | 142,500 | 52,717 |
| Rent | 480,879 | 435,970 |
| Repair & Maintenance (Machinery) | 31,997 | 25,146 |
| Repair & Maintenance (Others) | 1,719 | 9,661 |
| Salary Expenses | 2,569,418 | 2,808,475 |
| Security Expenses | 92,307 | 85,681 |
| Staff Welfare | 131,523 | 87,529 |
| Telephone ,Telex & Cellular | 229,407 | 162,891 |
| Traveling and Conveyance Expenses | 63,418 | 87,044 |
| Vehicle Running & Maintenance | 235,356 | 255,691 |
| | 16,168,709 | 7,981,406 |

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**A Significant Accounting Policies:****(1) Basis of preparation of financial statements: -**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the mandatory accounting standards as notified under the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

(2) 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, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(3) Revenue Recognition: -

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from Sale of Goods is recognized when the significant risk and reward of ownership of goods are transferred to the customer and is stated net of sales tax and sales return.

Training and Education Income

Revenue in respect of Training and Education is recognized on rendering of services, only when it is reasonably certain that the ultimate collection will be made.

Interest

Revenue is recognized on accrual basis.

Dividend

Revenue is recognized when the payment is received.

(4) Fixed Assets: -

Fixed Assets are stated at the original cost inclusive of inward freight, incidental expenses related to acquisition and related pre-operational expenses.

(5) Depreciation: - Depreciation has been provided on Written Down Value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. All assets costing Rs.5000 or below are depreciated in full by way of a one time depreciation charge. ***However no depreciation has been provided on Master Pieces of Gold and Silver, Library Books and Props. The Company's has not provided depreciation on the Web***

Portal – Jewelry YTT, as it was not in operation during the year. The Company will provide the depreciation on the Web Portal – Jewelry YTT, as and when it becomes operational.

Leasehold Improvements are amortized over the period of Lease.

(6) Inventories: - Method of Valuation

(a) Raw Material - at cost

(b) Finished Goods - at lower of cost or estimated realizable value.

(7) Provision for Income Tax: -

Provision for taxation has been ascertained as per the applicable provisions of the Income Tax Act, 1961.

(8) Provision for Fringe Benefit Tax

Provision for Fringe Benefit Tax has been ascertained as per the applicable provisions of the Income Tax Act, 1961.

(9) Deferred Taxation: -

Deferred tax is recognized, subject to the consideration of prudence 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 years.

(10) Borrowing Costs

Borrowing costs that are attributable to the acquisition of assets are capitalized as part of the cost of such Assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(11) Investments

Investments are classified into Current and Long Term investments. Current investments are stated at lower of cost and fair value. Long term Investments are stated at cost. A Provision for diminution is made to recognize a decline, other than the temporary, in the value of Long-term Investments.

(12) Retirement Benefits

Employees' benefits of short term nature are recognized as expenses as and when it accrues. Long term employee benefits (e.g. long-service leave) and post employment benefits (e.g. Gratuity) are recognized as expenses based on actuarial valuation at the end which takes into account actuarial gains and losses.

(13) Impairment of Assets: -

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been change in the estimate of the recoverable amount.

B. Notes to Accounts

(1) Previous year figures have been regrouped and reclassified, wherever considered necessary.

(2) Auditor's Remuneration includes: -

| | |
|------------|---------------|
| Audit Fees | 35,296 |
| Tax Audit | 11,030 |
| Total | <u>46,326</u> |

(3) Contingent Liability

Contingent liabilities not provided for in the books of accounts.

Outstanding Bank Guarantee Rs.115,000/- (previous year Rs.85,000/-)

(4) Earning Per Share

| | 31/3/2009 | 31/3/2008 |
|--|-------------|-----------|
| Profit/ (Loss) after Taxation as per Profit & Loss Account | (52,38,255) | 24,06,927 |
| Weighted Average No. of Equity Share outstanding | 41,31,600 | 41,31,600 |
| Basic and Diluted Earning / (Loss) Per Share | (Rs.1.16) | Rs.0.58 |

(5) Related party Disclosure

Related party disclosure as required under accounting standard on "Related Party Disclosures " issued by the Institute of Chartered Accountants of India are given below:

a) Relationship:

i) Parties where Control Exists

Partnership Firm – JDIT, Chandigarh

ii) Associates

B. K. Overseas Ltd.

Sukarma Finance Ltd.

Corporate Research & Intelligence Service Ltd.

iii) Key Management Personnel

Mr. B. K. Narula

Mrs. Rita Narula

iv) Relatives of Key Management Personnel

Ms Ridhi Narula

v) Entities over which Key Management Personnel are able to exercise significant influence.

Yes Travels & Hospitality Ltd

b) **The following transactions were carried out with related party in the ordinary course of business.**

| | Amount (in Rs.) 31/03/2009 | Amount (in Rs.) 31/03/2008 |
|---|-------------------------------|-------------------------------|
| i) Parties Where Control exists (Partnership Firm) | | |
| Investment made | 13,00,000 | - |
| ii) Associates | | |
| Rent Received | 66,000 | 66,000 |
| Loans Taken | - | 15,00,000 |
| Loans and Advances given | 22,32,994 | - |
| iii) Key Management Personnel & their Relatives | | |
| Remuneration to Directors | 763,200 | 763,200 |
| Remuneration to relatives of Key Personnel | 360,000 | 360,000 |
| Medical Expenses | 110 | 3,439 |
| iv) Entities Over which Key Management Personnel are able to exercise significant influence. | | |
| Services Availed | 35,591 | 12,068 |
| Loan Given | 35,00,000 | - |
| Expense Reimbursed | 2,304 | - |

Balances at the end of the year

| | | |
|---|-----------|---|
| i) Entities over which Key Management Personnel are able to exercise significant influence | | |
| Loans and Advances Given | 12,50,000 | - |
| ii) Balance with Associates | | |
| Loans and advances Given | 13,00,000 | - |
| Receivable | 33,000 | - |
| iii) Parties Where Control Exists | | |
| Investment made | 13,00,000 | - |

(6) Balance of Debtors and Creditors are subject to confirmations.

(7) Stock of commodities with students/Job workers are subject to confirmation.

(8) Figures in brackets represent previous year figures.

(9) Segment Reporting

Based on the guiding Principles given in Accounting Standards on "Segment Reporting" issued by the "Institute of Chartered Accountants of India", the Company primary segment is based on nature of product / services rendered.

Segment Accounting Policies

In addition to the significant Accounting Policies as applicable to the business segment as set out in note "A" of the Schedule 14 of the Notes to the Accounts, the accounting policies in relation to segment accounting are as under:

a) Segment Assets and Liabilities

Assets and Liabilities, which are directly attributable to a particular Segment, are classified as the Assets and Liabilities of the segment. Segment Assets include all operating assets used by the segment and consist principally of inventories, sundry debtors and loans and advances. Segment Assets and Liabilities exclude Assets and Liabilities, which cannot be classified into a particular Segment and are depicted as common Assets and Liabilities. These common Assets / Liabilities include:

- | | |
|---------------------------------------|---|
| - Fixed Assets | - Reserve & Surplus |
| - Investments | - Provision for Taxes |
| - Fixed Deposit with Banks | - Deferred Tax Assets/Liabilities |
| - Share Capital | - Misc. Expenditure (to the Extent not written off) |
| - Cash and Bank Balance | - Secured Loans |
| - Provision for Gratuity & Encashment | |

b) Segment Revenue and Expenses

Revenue and Expenses, which are directly attributable to a particular Segment, are classified as Revenue and Expenses of the Segment. Revenue and Expenses, which cannot be allocated to a particular Segment, have been depicted as Company's Revenue and Expenses. These Common Revenue / Expenses include:

- | | |
|---------------------|-----------------------|
| - Interest Expenses | - Provision for Taxes |
| - Misc. Income | - Depreciation |

Financial information about the primary business segment is given as under:

| | Segment-Manufacturing and Trading | | Segment-Education | | Total Company | |
|---|-----------------------------------|------------|-------------------|------------|---------------|-------------|
| | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 |
| 1. Revenue | | | | | | |
| External Sales | 1,40,61,248 | 71,44,334 | 111,59,931 | 99,66,385 | 2,52,21,179 | 1,71,10,719 |
| Total Revenue | 1,40,61,248 | 71,44,334 | 111,59,931 | 99,66,385 | 2,52,21,179 | 1,71,10,719 |
| | | | | | | |
| 2. Results | | | | | | |
| Segment Result/Operating Profit (Loss) | 1,86,917 | 12,54,202 | 34,44,920 | 45,99,591 | 36,31,837 | 58,53,793 |
| b) Common Income | | | | | 10,19,322 | 11,94,872 |
| c) Total Operating Profit (Loss) | | | | | 46,51,159 | 70,48,665 |
| d) Interest Expenses | | | | | 64,619 | 1,40,237 |
| e) Depreciation | | | | | 30,66,857 | 32,24,314 |
| e) Common Expenses | | | | | 61,02,514 | 8,64,999 |
| f) Provision for Tax | | | | | 191,969 | 4,12,188 |
| g) Net Profit (Loss) | | | | | (47,74,800) | 24,06,927 |
| 3. Other Information | | | | | | |
| a) Segment Assets | 82,68,850 | 78,81,819 | 16,91,670 | 32,42,104 | 99,60,520 | 1,11,23,923 |
| b) Common Assets | | | | | 3,84,91,171 | 4,08,04,398 |
| c) Total Assets | | | | | 4,84,51,691 | 5,19,28,321 |
| d) Segment Liabilities | 1,58,246 | 27,293 | 11,10,289 | 23,50,629 | 12,68,535 | 23,77,922 |
| e) Common Liabilities | | | | | 4,71,83,156 | 4,95,50,399 |
| f) Total Liabilities | | | | | 4,84,51,691 | 5,19,28,321 |
| g) Capital Expenditure | | | | | 5,90,203 | 18,12,156 |
| h) Depreciation | | | | | 30,66,857 | 32,24,314 |
| Other Non Cash Adjustments | | | | | | |
| I) Provision for Diminution in Value of Investments | | | | | 4,736,508 | - |

(10) Disclosure pursuant to Accounting Standard 15 on "Employee Benefits":

Defined contribution plans

The Company's employee provident fund scheme is a defined contribution plans. A sum of Rs.100,963 has been recognised as an expense in relation to the scheme and shown under Personnel Expenses in the Profit and Loss account.

Defined benefit plans

Gratuity

Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial.

a. *Changes in Defined Benefit Obligation*

As at 31 March 2008

| | |
|---|----------|
| a) Present value of obligation as at the beginning of the period i.e 1 April 2008 | 235,772 |
| b) Acquisition adjustment | - |
| c) Interest cost | 16,459 |
| d) Past service cost | - |
| e) Current service cost | 63,981 |
| f) Curtailment cost/(Credit) | - |
| g) Settlement cost/(Credit) | - |
| h) Benefits paid | - |
| i) Actuarial (gain)/loss on obligation | (57,757) |
| j) Present value of obligation as at the end of period i.e. 31 December 2007 | 258,455 |

b. *Changes in the fair value of plan assets*

Not Applicable

c. *Amount recognised in the balance sheet*

As at 31 March 2009

| | |
|--|---------|
| a) Present value of obligation as at the end of the period | 258,455 |
| b) Fair value of plan assets as at the end of the period | - |
| c) Funded status | - |
| d) Excess of actual over estimated | - |
| e) Unrecognized actuarial (gains)/losses | - |
| f) Net asset/(liability)recognized in balance sheet | 258,455 |

d. Expenses recognised in the profit and loss account

For the year ended 31 March 2009

| | |
|--|----------|
| a) Current service cost | 63,981 |
| b) Past service cost | - |
| c) Interest cost | 16,459 |
| d) Expected return on plan assets | - |
| e) Curtailment cost / (Credit) | - |
| f) Settlement cost / (credit) | - |
| g) Net actuarial (gain)/ loss recognized in the period | (57,757) |
| h) Expenses recognized in the statement of profit and loss | 22,683 |

e. The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Not applicable.

f. Return on plan assets

Not Applicable

g. The principal assumption used in determining the gratuity benefit obligation is as given below:

For the year ended 31 March 2009

| | |
|--|-----|
| | % |
| Discount rate | 7.0 |
| Expected rate of return on assets (p.a.) | NA |
| Salary escalation rate (p.a.) | 5.0 |

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The salary escalation rate is based on estimates of salary increases, which take into account inflation, promotion and other relevant factors.

Demographic assumptions:

| | | |
|-----------------------|----------------|-----------------------------|
| i) Retirement Age | 60 | |
| ii) Mortality Table | | LIC (1994-96) duly modified |
| iii) Withdrawal Rates | Ages | Withdrawal Rate (%) |
| | 18 to 60 Years | 2.00 |

CASH FLOW STATEMENT

| | For the year ended 31.3.2009 | For the year ended 31.3.2008 |
|---|---------------------------------|---------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit/(Loss) before tax and extraordinary items | (4,582,831) | 2,819,115 |
| Adjustments for : | | |
| Depreciation | 3,066,857 | 3,224,314 |
| Prior Period Items | (463,455) | - |
| Preliminary Expenses w/off | 460,418 | - |
| Interest earned | (391,667) | (295,651) |
| Dividend Received | (239,251) | (16,700) |
| Profit on sale of share | (239,790) | (384,534) |
| Profit on sale Fixed Assets | - | (173,377) |
| Provision for dimunition in value of Investments | 4,736,508 | - |
| Interest paid | 68,141 | 140,237 |
| Operating profit before Working Capital changes | 2,414,930 | 5,313,404 |
| Adjustments for : | | |
| Trade & other receivables | 1,067,593 | (2,679,518) |
| Inventories | (1,464,492) | (1,041,349) |
| Trade Payables | (1,532,500) | 276,781 |
| Cash flow from operating activities | 485,531 | 1,869,317 |
| Less : Income Tax Paid | 438,983 | 541,915 |
| Net Cash flow from operating activities | 46,548 | 1,327,402 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (590,200) | (1,812,156) |
| Sale of Fixed Assets | - | 1,007,714 |
| Investment in Others-(Net) | (4,565,198) | (1,385,155) |
| Dividend Received | 239,251 | 16,700 |
| Interest Received | 391,667 | 295,651 |
| Net Cash from /(Used) in Investing Activities | (4,524,480) | (1,877,246) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Share Application Money | 4,317,600 | - |
| Proceeds from borrowings | (2,321,668) | 497,457 |
| Interest Paid | (68,141) | (140,237) |
| Net Cash from/(Used) in Financing Activities | 1,927,791 | 357,220 |
| Net Increase / (decrease) in Cash and Cash Equivalents | (2,550,141) | (192,625) |
| Opening Cash and Cash Equivalents | 3,783,126 | 3,975,751 |
| Closing Cash and Cash Equivalents | 1,232,985 | 3,783,126 |
| Net increase / (decrease) as per Books | (2,550,141) | (192,625) |
| | - | - |

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

| | | | | |
|---|---|---|---|---|
| 5 | 9 | 3 | 4 | 1 |
|---|---|---|---|---|

 State Code

| | |
|---|---|
| 5 | 5 |
|---|---|

Balance Sheet

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | 1 | 0 | 3 | 2 | 0 | 0 | 9 |
|---|---|---|---|---|---|---|---|

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

Public Issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Right Issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Bonus issue

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

Private Placement

| | | | | | |
|--|--|--|---|---|---|
| | | | N | I | L |
|--|--|--|---|---|---|

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

Total Liabilities

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 5 | 7 | 7 | 3 | 7 | 1 | 2 |
|---|---|---|---|---|---|---|---|

Total Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 5 | 7 | 7 | 3 | 7 | 1 | 2 |
|---|---|---|---|---|---|---|---|

Sources of Funds

Paid up Capital

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 4 | 1 | 3 | 1 | 6 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|

Reserves & Surplus

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

Secured Loans

| | | | | | | |
|---|---|---|---|---|---|---|
| 2 | 3 | 3 | 8 | 0 | 0 | 5 |
|---|---|---|---|---|---|---|

Unsecured Loans

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

Application of Funds

Net Fixed Assets

| | | | | | | | |
|---|---|---|---|---|---|--|--|
| 1 | 4 | 0 | 1 | 1 | 2 | | |
|---|---|---|---|---|---|--|--|

Investments

| | | | | | | |
|---|---|---|---|---|---|---|
| 7 | 7 | 7 | 7 | 4 | 3 | 5 |
|---|---|---|---|---|---|---|

Net Current Assets

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 6 | 4 | 1 | 9 | 5 | 1 |
|---|---|---|---|---|---|---|---|

Misc. Expenditure

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

Accumulated Losses

| | | | | | | | |
|--|--|--|--|--|---|---|---|
| | | | | | N | I | L |
|--|--|--|--|--|---|---|---|

IV. Performance of Company (Amount in Rs.)

Turnover & Other Income

2 6 2 4 0 5 0 1

Total Expenditure

3 0 8 2 3 3 3 2

+ -

Profit /Loss before Tax

+ -

Profit/ Loss after Tax

-

4 5 8 2 8 3 1

(-)

4 7 7 4 8 0 0

(Please tick mark Appropriate box + for Profit, - for Loss)

Earning per Share in Rs.

Dividend Rate %

- 1 . 0 6

N I L

V. Generic Name of Three Principal Products / Services of Company (as per monetary terms)

Item Code No.

7 1 0 6 1 0

(ITC Code)

Product

S I L V E R

Description

Item Code No.

7 1 1 4 1 1

(ITC Code)

Product

S I L V E R J E W E L L E R Y

Description

Item Code No.

7 1 1 3 1 1

(ITC Code)

Product

S I L V E R J E W E L L E R Y

Description

For & on behalf of the Board of Directors

As per our Report of even date
For Khanna Gulati & Associates
Chartered Accountants

(B. K. Narula)
Managing Director

(Alok Mittal)
Director

(Rita Narula)
Director

Rohit Khanna
Partner
M. No. 84878

Place : New Delhi
Dated : 30th June 2009

SILVER SMITH INDIA LIMITED.

Registered office: Haveli No. 13 (ground Floor), Hauz Khas Village Market, New Delhi-110016

PROXY FORM

Folio No. / Client ID No. & DP ID No. _____

I/We _____

of _____ being a member / members of the above mentioned company, hereby appoint _____ or failing him _____ as my /our proxy to attend and vote for me/us and on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company to be held at 11.00a.m on Monday August 31st 2009 and at any adjournment thereof . This form is to be used in favor of the resolution(s)/ against the resolution(s) _____ Unless otherwise instructed the proxy will act as he may think fit.

Signed this _____ day of _____ 2009.

Signature _____

Affix Rs. 1/-
Revenue
Stamp here

Note: proxy forms must reach the company's Registered office not less than 48 hours before the Meeting.

_____ TEAR HERE _____

SILVER SMITH INDIA LIMITED

Registered office: Haveli No. 13 (ground Floor), Hauz Khas Village Market, New Delhi-110016

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

| | |
|---|---------------------------------------|
| Name of attending member (In block letters) | Folio No. / Client ID No DP ID No. |
| Name of the Proxy (In Block Letters) (To be filled if the Proxy attends instead of the Member) | |
| No. Of Shares held | |

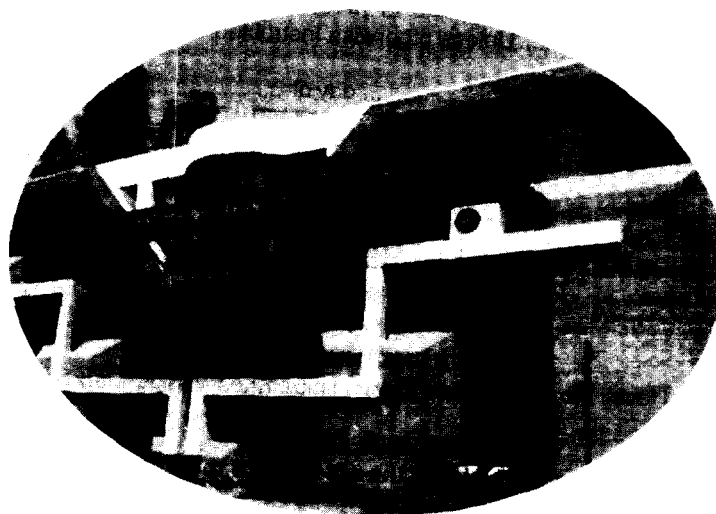
I hereby record my presence at the 15th ANNUAL GENERAL MEETING of the Company to be held at Saket Farm D-3 Church road, Kishan Garh, near Vasant Kunj, Delhi-110070 on Monday August 31, 2009.

Member's /Proxy's Signature
(To be signed at the time of handing over the slip)

Note:

- (1) Shareholder/proxy holder wishing to attend the Meeting must bring the Attendance slip to the meeting and hand over at the entrance duly signed.
- (2) Shareholder/proxy holder should bring his /her copy of the Annual Report for reference at the meeting.

BOOK-POST



If undelivered, please return to
SILVER SMITH INDIA LTD.
Haveli No.13 (Ground Floor)
Hauz Khas Village Market
New Delhi - 110016