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BOARD OF DIRECTORS:

Ramprasad Poddar
Chairman

Dinesh Poddar
Managing Director

Shilpa Poddar
Executive Director

Rajesh Poddar
Piyush Shah
Nirmal Jain
Vishwanath Rungta
Harshvardhan Agarwal
Directors

REGISTERED OFFICE:

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

BANKER:

HDFC Bank Ltd.

AUDITORS:

Sanjay Raja Jain & Co.
Chartered Accountants

24th ANNUAL REPORT 2010:

Date: 10th July, 2010
Time: 11:30 a.m.
Venue: Sachivalaya Gymkhana
6, General Jagannathrao Bhosale Marg
Opp. Mantralaya, Mumbai - 400 032

REGISTRARS & TRANSFER AGENTS:

Bigshare Services Pvt. Ltd.
E/2, Ansa Industrial Estate
Sakivihar Road, Sakinaka
Andheri (E), Mumbai - 400 072
Tel. No.: 022 4043 0200
Fax No.: 022 2847 5207
E-Mail: bigshare@bom7.vsnl.net.in



■■■ NOTICE:

Notice is hereby given that the 24th Annual General Meeting of the Company will be held on Saturday, 10th July, 2010 at 11:30 a.m. at SACHIVALAYA GYMKHANA, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032 to transact the following business: -

■ ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Rajesh Poddar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Vishwanath Rungta, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

■ SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the appointment of Mr. Ramprasad Poddar as Managing Director of the Company for the period of three years w.e.f. April 01, 2010, upon and subject to the terms and conditions including the remuneration proposed to be paid and as contained in the agreement to be entered between the Company and Mr. Ramprasad Poddar, a draft whereof is placed before the meeting and initialed for the purpose of identification by the Chairman hereof.

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

RESOLVED FURTHER THAT Mr. Ramprasad Poddar subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

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

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309, 310, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended from time to time, the consent of the Members be and is hereby accorded to the appointment of Mr. Dinesh Poddar as Managing Director of the Company for the period of three years w.e.f. April 01, 2010, upon and subject to the terms and conditions including the remuneration proposed to be paid and as

contained in the agreement to be entered between the Company and Mr. Dinesh Poddar, a draft whereof is placed before the meeting and initialed for the purpose of identification by the Chairman hereof.

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

RESOLVED FURTHER THAT Mr. Dinesh Poddar subject to the provisions of Section 255 of the Companies Act, 1956 shall not be liable to retire by rotation during his tenure as Managing Director of the Company.

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

8. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to the Section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from '**Swasti Vinayaka Gems Corporation Limited**' to '**Swasti Vinayaka Art and Heritage Corporation Limited**'.

RESOLVED FURTHER THAT the name '**Swasti Vinayaka Gems Corporation Limited**' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name '**Swasti Vinayaka Art and Heritage Corporation Limited**'.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to file necessary returns, application and other documents for obtaining central government approval and is further authorized to do all such acts, deeds and things as may be necessary, required or expedient for above purpose."

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act 1956 and in supersession to the earlier resolutions the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board") to borrow such sums of money from time to time, and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate of the paid up share capital and free reserves of the Company for the time being, that is to say, reserves not set apart for any specific purpose provided that the total amount of monies borrowed at any time shall not exceed Rs. 50 Crores (Rupees Fifty Crores)."

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

Date : May 17, 2010
Place : Mumbai

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

Ramprasad Poddar
Chairman



■ **NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies in order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.**
2. The Register of Members and Share Transfer Books will remain closed from Saturday, 3rd July, 2010 to Saturday, 10th July, 2010. (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
 - a) Whose name appears as Beneficial Owners as at the end of business hours on 2nd July, 2010 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. in respect of the shares held in electronic form.
 - b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company or Registrar and Share Transfer Agents on or before 2nd July, 2010.
4. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect to the Special business under Item No. 6, 7 and 8 to be transacted at the meeting is annexed to this notice.
5. The draft agreements between the company and Mr. Ramprasad Poddar and Mr. Dinesh Poddar will be available for inspection of members from 11 a.m. to 1 p.m. on all working days (except Sundays and public holidays) at the Registered Office of the company.

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

■ **Item No. 6:**

Mr. Ramprasad Poddar whose previous appointment as Managing Director ended on 31st March, 2010 was re-appointed as Managing Director by the Board of Directors for a tenure of three years w.e.f. 1st April, 2010.

In accordance with Schedule XIII, the appointment of Mr. Ramprasad Poddar as Managing Director of the Company requires shareholders' approval by passing Special Resolution, as he has attained the age of 74 years and his remuneration is within the limit prescribed in Section II (B) of Part II of Schedule XIII of the Companies Act, 1956.

The following information is required to be disclosed in accordance with Schedule XIII:

I. GENERAL INFORMATION:

- (a) Nature of Industry: Gems and Jewellery and Real Estate.
- (b) Date of commencement of commercial production: June 12, 1985.
- (c) Export performance: During the previous year Company earned total foreign exchange of Rs. 1,00,990/-.
- (d) Foreign investments or collaborations: Not Applicable.

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background details:

Mr. Ramprasad Poddar 74 years old is B.Com by qualification. He was appointed as Director of the Company on 30th June, 1989. Mr. Ramprasad Poddar who is presently Chairman and whose previous appointment as Managing Director ended on 31st March, 2010 is re-appointed at the Board meeting held on 29th March, 2010 as Managing Director for a period of three years effective from 1st April, 2010 upto 31st March, 2013. The draft agreement between the Company and Mr. Ramprasad Poddar for his reappointment contains inter alia the following terms and conditions.

(b) Past remuneration:

Last drawn salary by the Managing Director was Rs 6.00 lakh p.a. during the financial year 2008.

(c) Job profile and his suitability:

The Managing Director would have the authority to oversee and implement the day-to-day operations of the Company. Managing Director will also be responsible for formulating the policies and strategies in consent with the Board of Directors of the Company. The appointee has clear vision and foresight to work for the prosperity and success of the company. The Managing Director has immense capacity for hard work, interpersonal skills, extraordinary ability for analytical thinking and positive attitude.

(d) Remuneration proposed:

(i) Salary of Rs. 1,25,000/- (Rs. One Lakh Twenty Five Thousand Only) per month.

(ii) Perquisites and Allowances:

a) In addition to the salary payable, the appointee shall be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agreed to by the Board of Directors and the Managing Director.

b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of Rs. 2,50,000/- per month



(iii) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

(iv) General Terms & Conditions:

- a) The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.
- b) The appointment may be terminated by either party giving the other party six months notice, or the Company paying six months salary in lieu of the notice.
- c) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

III. OTHER INFORMATION:

(a) Reasons for loss or inadequate profits:

The company has made profits during the current financial year and is also paying dividends for the last four consequent years. However the profits are inadequate to pay desired remuneration to the appointee.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Mr. Managing Director is available for inspection by the members of the Company at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on any working day till the Annual General Meeting of the Company.

Your directors recommend passing of the special resolution.

None of the directors except Mr. Ramprasad Poddar, Mr. Dinesh Poddar, Mr. Rajesh Poddar and Mrs. Shilpa Poddar are interested in the passing of the said resolution.

■ **Item No. 7**

Mr. Dinesh Poddar whose previous appointment as Managing Director ended on 31st March, 2010 was re-appointed as Managing Director by the Board of Directors for a tenure of three years w.e.f. 1st April, 2010.

In accordance with Schedule XIII, the appointment of Mr. Dinesh Poddar as Managing Director of the Company requires shareholders' approval by passing Special Resolution and his remuneration is within the limit prescribed in Section II (B) of Part II of Schedule XIII of the Companies Act, 1956.

The following information is required to be disclosed in accordance with Schedule XIII:

I. GENERAL INFORMATION:

- (a) Nature of Industry: Gems and Jewellery, Real Estate.
- (b) Date of commencement of commercial production: June 12, 1985.
- (c) Export performance: During the previous year Company earned total foreign exchange of Rs. 1,00,990/-.
- (d) Foreign investments or collaborations: Not Applicable.

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background details:

Mr. Dinesh Poddar 44 years old is B.Com, MBA, MS (U.S.A.) by qualification. He was appointed as Director of the Company on 30th June, 1989. Mr. Dinesh Poddar whose previous appointment as Managing Director ended on 31st March, 2010 was re-appointed as Managing Director by the Board of Directors for a tenure of three years w.e.f. 1st April, 2010. The draft agreement between the Company and Mr. Dinesh Poddar for his reappointment contains interalia the following terms and conditions.

(b) Past remuneration:

Last drawn salary by the Managing Director was Rs. 6.94 lakh p.a. during the financial year 2008.

(c) Job profile and his suitability:

The Managing Director would have the authority to oversee and implement the day-to-day operations of the Company. Managing Director will also be responsible for formulating the policies and strategies in consent with the Board of Directors of the Company. The Managing Director has clear vision and foresight to work for the prosperity and success of the company. The Managing Director has immense capacity for hard work, interpersonal skills, extraordinary ability for analytical thinking and positive attitude.

(d) Remuneration proposed:

- (i) Salary: Rs. 1,25,000/- (Rupees One lakh twenty five thousand only) per month.
- (ii) Perquisites and allowances:
 - (a) In addition to the salary payable, the Managing Director shall be entitled to perquisites and allowance like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowances together with reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing, repairs, society charges, property tax, medical reimbursement, medical/accident insurance, leave travel concession for himself and his family; club fees and other perquisites and allowances in accordance with rules of the Company or as may be agree to by the Board of Directors and the Managing Director.
 - (b) For the purposes of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.



(c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, gratuity payable as per rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

(d) The total remuneration including salary, perquisites, allowances (other than exempted perquisites and allowance) and other monetary benefits shall not exceed the maximum ceiling of Rs. 2,50,000/- per month.

(iii) Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above.

(iv) General Terms & Conditions:

(a) The terms and conditions of the said appointment and/or agreements may be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable to the Managing Director in accordance with Schedule XIII to the Act or any amendments made hereafter in this regard.

(b) The appointment may be terminated by either party giving the other party six months notice, or the Company paying six months salary in lieu of the notice.

(c) If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company.

III. OTHER INFORMATION:

a) Reasons for loss or inadequate profits:

The company has made profits during the current financial year and is also paying dividends for the last four consequent years. However the profits are inadequate to pay desired remuneration to the appointee. In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members in General Meeting for their approval.

The draft Agreement between the Company and Mr. Dinesh Poddar is available for inspection by the members of the Company at the Registered Office of the Company between 11:00 a.m. and 01:00 p.m. on any working day till the Annual General Meeting of the Company.

Your directors recommend passing of the special resolution.

None of the directors except directors except Mr. Ramprasad Poddar, Mr. Dinesh Poddar, Mr. Rajesh Poddar and Mrs. Shilpa Poddar are interested in the passing of the said resolution.

■ Item No. 8:

The Board of Directors recommend change of name of the Company. Company is dealing in Art and Heritage products and has gained prominence in this line of business and new name correctly denotes the existing core business of the Company.

Section 21 of the Companies Act, 1956 requires members' consent and approval of the Central Government to the change of name of the company. The company has already obtained approval for availability of above name from the Registrar of Companies, Maharashtra and an application to the Central Government for approval for new name will be made after members' consent by passing special resolution at the ensuing Annual General meeting of the company.

None of the Directors are interested or concerned in the passing of said Resolution.

■ Item No. 9:

Your Company is exploring various opportunities for the all round growth of the Company. In view of the increasing business operations and future growth plans, the Company would require funds from time to time by way of borrowings. As per section 293(1) (d) of the Companies Act 1956, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Board beyond the aggregate of the paid up share capital of the company and its free reserves requires approval from the shareholders of the Company. The shareholders had in their General Meeting held on March 15, 2002 authorised the Board of Directors to borrow funds from time to time upto an amount not exceeding Rs. 15 Crores.

As mentioned above, with increasing operations, the borrowing requirements of the Company are also growing, and hence the proposal for obtaining the consent of the members by way of Ordinary Resolution for increasing this limit of Rs. 15 Crores to Rs.50 Crores is made.

Your directors recommend passing of the ordinary resolution.

None of the Directors be considered interested or concerned in the passing of said Resolution.

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

Date : May 17, 2010
Place : Mumbai

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

Ramprasad Poddar
Chairman





■■■■ DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting the 24th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS:

(Rs. In Lacs)

SR. NO.	PARTICULARS	15 MONTHS ENDED 31.03.2010	12 MONTHS ENDED 31.12.2008
1	Net Sales / Income	916.73	616.77
2	Total Expenditure		
	i) Cost of Goods Sold	108.70	61.42
	ii) Staff Cost	57.56	38.09
	iii) Depreciation	21.50	17.76
	iv) Other Expenditure	355.69	282.79
	Total	543.45	400.06
3	Interest	180.11	74.55
4	Profit Before Tax	193.17	142.16
5	Provision for Taxation	68.27	45.55
	i) Current Tax	67.21	45.80
	ii) Deferred Tax	0.36	(1.75)
	iii) Fringe Benefit Tax	0.70	1.50
6	Profit After Tax	124.90	96.61
7	Excess/(Short) Provision for Tax of earlier years	2.74	4.99
8	Net Profit	127.64	101.60
9	Proposed Dividend (Inclusive of Tax on Dividend)	117.00	93.60
10	Paid-up Equity Share Capital (Face Value of Re. 1/- each)	400.00	400.00
11	Reserves & Surplus (Excluding Revaluation Reserves)	73.43	62.79
12	Basic & Diluted EPS (Rs.)	0.31	0.24
13	Non Promoters Shareholding		
	- Number of Shares	18652000	13970801
	- Percentage of Shareholding	46.63%	46.57%

■ DIVIDEND:

We are pleased to announce that the Board of Directors has recommended dividend of Rs. 0.25 per equity share of Re. 1/- each (i.e. 25%) aggregating Rs.1 crore (excluding dividend distribution tax as applicable) for the year ended on 31st March, 2010.

■ OPERATIONS:

During the period under review the profit after tax (PAT) stood at Rs. 124.90 Lacs, an increase of 29.28% as compared to last year. Encouraged by the above results the Board has decided to recommend higher rate of Dividend at 25% for the Financial Year ended 31st March, 2010.

■ DIRECTORS:

Mr. Rajesh Poddar and Mr. Vishwanath Rungta retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. Ramprasad Poddar and Mr. Dinesh Poddar who were appointed as Managing Directors on 1st April, 2005 for a period of five years and whose appointment ends on 31st March, 2010 are reappointed for a period of three years as Managing Directors of the Company.



■ **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors state that: -

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

■ **FIXED DEPOSITS:**

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

In view of the nature of activities of the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

Form "C": **Disclosure of particulars with respect to foreign exchange earnings and outgo.**

	15 Months Ended 31.3.2010 (Rs.)	12 Months Ended 31.12.2008 (Rs.)
Foreign Exchange Earned	8,74,877	1,00,990
Foreign Exchange Used	27,47,515	13,96,605

■ **AUDITORS:**

M/s. Sanjay Raja Jain & Co., Chartered Accountants, Mumbai will retire at this meeting and being eligible offers themselves for re-appointment.

■ **COMPLIANCE CERTIFICATE UNDER PROVISO TO SUB-SECTION(1) OF SECTION 383A OF THE COMPANIES ACT, 1956:**

Compliance Certificate issued under sub-Section (1) of Section 383A of the Companies Act, 1956 by the Practising Company Secretary for your Company is attached to this report.

■ **EMPLOYEES:**

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

■ **LISTING ARRANGEMENT:**

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's Shares are being traded. The Company has paid Listing Fees for the year 2009-2010.

■ **CORPORATE GOVERNANCE:**

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

■ **MANAGEMENT DISCUSSION AND ANALYSIS:**

1. GEMSTONE CARVINGS, SIGNIO PAINTINGS AND COUTURE JEWELLERY :

Both the showrooms that were commissioned last year have had a reasonable response considering that 2009 was a recessionary year for luxury products worldwide. In 2010 we expect to tap the desired potential of all the three showrooms i.e. gemstone carvings, signio paintings and couture jewellery. In 2010 we plan to start a corporate advertisement campaign for our showrooms in order to generate long term brand equity which is very essential for the high-end luxury business. We have taken this decision since the first phase of the capex cycle is now over and now we can focus on building our brand equity. After this exercise is complete our first phase of evolution would be over and then we can replicate this model and scale up operations in a systematic way in the years to come.

Also, this year we got a very good response at the Tucson, USA Mineral Show and we hope this avenue will give us a consistent stream of revenue and cash flow.

Our entire team at SVGCL takes this opportunity to thank you, our valued investors for keeping their faith intact in us during these formative but very crucial years. We shall go that extra mile to respect this faith and shall persevere to maximise your long term returns. Thank you once again.

2. REAL ESTATE:

According to industry estimates, the real estate industry in India has been growing at 33 per cent CAGR (compound annual growth rate) and could be a \$50 billion industry in the next four years. Real Estate continues to be in high demand in Mumbai and suburbs of Mumbai, We feel our premises will enjoy good occupancy and increased revenues and profit.

■ **ACKNOWLEDGEMENTS:**

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

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

Date : May 17, 2010
Place : Mumbai

For and on behalf of the Board
**For Swasti Vinayaka Gems
Corporation Limited**

Ramprasad Poddar
Chairman



REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy on Corporate Governance:

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

2. Board of Directors:

The constitution of the Board of Directors is as under:

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

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2010:

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

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

(B) BOARD PROCEDURE

The Board of the Company met 10 (Ten) times during the year-ended 31.03.2010. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. The Board mainly deliberated on the following subjects:

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

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

During the year ended March 31, 2010, Ten Board Meetings were held on January 21, 2009, February 24, 2009, April 11, 2009, April 25, 2009, July 27, 2009, September 1, 2009, October 21, 2009, December 18, 2009, January 21, 2010, March 29, 2010. Annual General Meeting during the year was held on April 11, 2009.

Name of the Directors	No. of Board Meeting Attended	Attendance at last AGM Held on April 11, 2009	Remarks
Ramprasad Poddar	10	Yes	--
Dinesh Poddar	10	Yes	--
Rajesh Poddar	10	Yes	--
Shilpa Poddar	10	No	--
Vishwanath Rungta	5	No	--
Nirmal Jain	5	No	--
Harshvardhan Agarwal	5	No	--
Piyush Shah	5	No	--

(D) DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

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

Rajesh Poddar, 41 years old is having more than 17 years of experience in Textile Industry. His continuation on the Board will be an asset to the Company.

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

Mr. Vishwanath Rungta, 75 years old is more than 42 years of experience in Manufacturing Industry. His continuation on the Board will be an asset to the Company.

3. Committees of the Board:

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



(i) Audit Committee:

BRIEF DESCRIPTION OF TERMS OF REFERENCE

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

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

COMPOSITION

The Audit Committee consists of 2 (Two) Independent Directors and 1 (one) Non-Executive Director. Mr. Piyush Shah, is appointed Chairman of the Committee. The members of the committee have requisite experience in corporate management, finance, Accounts and corporate laws. The Audit committee held five meetings during the year.

The constituted Audit Committee is as follows:

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

(ii) Remuneration Committee:

BRIEF DESCRIPTION OF TERMS OF REFERENCE

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

COMPOSITION

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

During the year ended March 31, 2010, One Remuneration Committee meeting was held on March 29, 2010 to approve the remuneration of Managing Directors.

The constitution of the present Remuneration Committee is as follows:

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

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

(Rs. in Lacs)

Sr No.	Name of Directors	Salary	Benefits	Sitting Fee	Total
1.	Ramprasad Poddar	7.50	7.49	--	14.99
2.	Dinesh Poddar	7.01	5.32	--	12.33
3.	Shilpa Poddar	6.19	7.01	--	13.20

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

BRIEF DESCRIPTION OF TERMS OF REFERENCE

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

COMPOSITION

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

The constitution of the present Committee is as follows:

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

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

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

4. GENERAL BODY MEETINGS:

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

Financial Year	Date	Location of the Meeting	Time
31.12.2008	11.04.2009	Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400005.	11.30 A.M
31.12.2007	29.03.2008	Seminar I & II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400 005.	11.30 A.M
31.12.2006	17.03.2007	Seminar II, 31st Floor, World Trade Centre 1, Cuffe Parade, Mumbai – 400 005	11.30 A.M

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

5. DISCLOSURE:

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



The disclosure of related party transactions as required by the accounting standard (AS) 18 on 'Related Party disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under note no. 11 of notes to the accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

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

6. MEANS OF COMMUNICATIONS:

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

7. GENERAL SHAREHOLDERS INFORMATION:

- a. Registered Office : 303 Tantia Jogani Industrial Estate, J R Boricha Marg, Lower Parel, Mumbai - 400 011.
- b. Annual General Meeting
- Date and time : July 10, 2010 at 11:30 a.m.
- Venue : SACHIVALAYA GYMKHANA
6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032.
- c. Financial Calender (2010-11) : **Result to be tabled & adopted in the month of**
- i) First Quarter ended June 30, 2010 : July, 2010
- ii) Half Yearly / Second Quarter ended September 30, 2010 : October, 2010
- iii) Third Quarter / Nine Months ended December 31, 2010 : January, 2011
- iv) Yearly Audited / Fourth Quarter ended March, 2010 : May, 2011
- d. Date of Book Closure : Saturday, July 3, 2010 to Saturday, July 10, 2010 (Both days inclusive)
- e. Dividend payment date : Within 30 days of AGM; if approved by the Shareholders of the Company.
- f. Listing at stock Exchanges : The Stock Exchange, Mumbai
- g. Stock Code : Physical Segment – BSE: 512257
NSDL/CDSL-ISIN: INE 895A01023
- h. Stock Market Data : The monthly high and low process during the year at BSE is as follows:

Months	Mumbai Stock Exchange	
	High	Low
January, 2009	4.20	2.93
February, 2009	4.00	2.98
March, 2009	3.30	2.22
April, 2009	2.95	2.05
May, 2009	4.48	2.35
June, 2009	4.85	2.91
July, 2009	3.60	2.62
August, 2009	4.47	2.80
September, 2009	4.20	3.29
October, 2009	4.00	2.85
November, 2009	5.18	2.75
December, 2009	5.31	4.01
January, 2010	5.20	4.31
February, 2010	5.73	4.52
March, 2010	8.20	4.65

i. SHARE HOLDING PATTERN AS ON 31.03.2010:

Category	No. of Shares	%
Promoters	21348000	53.37
Mutual Funds, Banks, etc	-	-
Corporate Bodies	8635573	21.59
NRI / OCB's	45862	0.11
Indian Public	9970565	24.93
TOTAL	40000000	100.00

* Out of these, 39671711 (99.18%) shares are Dematerialized and the balance 328289(0.82%) are lying in physical form as on 31.03.2010.

j. SHARE TRANSFER SYSTEM:

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

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

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



k. DISTRIBUTION OF SHARE HOLDING AS 31.03.2010:

Shares Holding of nominal value of Rupees	No. of Share holders	% of Share holders	No. of Share held	% of Share holding
Upto 5000	2261	85.23	2778251	6.95
5001 to 10000	170	6.41	1290325	3.23
10001 to 20000	100	3.77	1509862	3.77
20001 to 30000	30	1.13	734418	1.84
30001 to 40000	26	0.98	924441	2.31
40001 to 50000	17	0.64	787189	1.97
50001 to 100000	16	0.60	1079354	2.69
100001 & above	33	1.24	30896160	77.24
		100.00	40000000	100.00

l. REGISTRAR AND SHARE TRANSFER AGENT

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

m. COMPLIANCE OFFICER

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

■■■■ CERTIFICATE REGARDING COMPLIANCE OF CORPORATE GOVERNANCE

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

We have reviewed the compliance of conditions of Corporate Governance by **SWASTI VINAYAKA GEMS CORPORATION LIMITED**, for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay stock exchange.

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

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

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

For SANDEEP DAR & CO.
Company Secretary in Practise

Place : Mumbai,
Dated : May 17, 2010

Proprietor
C. P. No. 1571





■■■ COMPLIANCE CERTIFICATE

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

CIN: L51900MH1985PLC036536

We have examined the registers, records, books and papers of **Swasti Vinayaka Gems Corporation Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for 15 months Ended on March 31, 2010 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Company, being a public limited Company, has the minimum prescribed paid up capital.
4. The Board of Directors met Ten (10) times on:
 - (i) January 21, 2009
 - (ii) February 24, 2009
 - (iii) April 11, 2009
 - (iv) April 25, 2009
 - (v) July 27, 2009
 - (vi) September 1, 2009
 - (vii) October 21, 2009
 - (viii) December 18, 2009
 - (ix) January 21, 2010
 - (x) March 29, 2010in respect of which meetings the proceedings were recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members and Share Transfer Books from April 2, 2009 to April 11, 2009 during the financial year.
6. The Annual General Meeting for the financial year ended on December 31, 2008 was held on April 11, 2009.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made entries in the register maintained under Section 301 of the Act, with regard to the disclosure of interest of directors in other bodies corporate, in accordance with section 299 (3)(b) of the Act.
11. We have been informed by the Company that remuneration drawn by the directors from the company were in their capacity as directors and the company was not required to obtain any approval from the Board of directors, members or central government pursuant to Section 314 of Act.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has:
 - (i) has delivered all share certificates received for registration of transfers in accordance with the provisions of the Act during the financial year. There was no transmission of securities during the financial year.
 - (ii) deposited the amount of dividend declared in a separate Bank Account within five days from the date of declaration of such dividend.
 - (iii) paid/ posted warrants for dividends to all the members of the Company within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the company with HDFC Bank.
 - (iv) No amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon remained unclaimed or unpaid for the period of seven years and required to be transferred to Investor Education and Protection Fund.
 - (v) Duly complied with the requirements of Section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any managing director/whole-time director/manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.



22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted/invited any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from banks and others during the financial year ending March 31, 2010 is within the borrowing limits of the company as per Section 293(1)(d) of the Act.
25. The Company has made loan to other body corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable to the company.

Sd/-

Name : Sandeep Dar

Place : Navi Mumbai,
Dated : May 17, 2010

C. P. No.: 1571

Annexure 'A'

Registers maintained by the Company

1. Register of Members
2. Minutes Books of proceedings of General Meetings and Board of Directors
3. Books of Accounts
4. Register of Directors
5. Register of Directors' Shareholdings
6. Register of Contracts
7. Register of loans and investments made, guarantees given or securities provided

Annexure B

Forms and Returns filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the 15 months ended March 31, 2010.

Sr. No.	Form No./ Return	Filed Under section	Particulars of Filing	Effective Date	Date of Filing	Whether filed within the prescribed time
1.	Form 32	302	Appointment and cessation of Directors	13.12.08	06.03.09	No
2.	Form 25C	269	Appointment of Whole-time Director	01.01.09	09.03.09	Yes
3.	Schedule V	159	Annual Return as on 11.04.2009	11.04.09	14.05.09	Yes
4.	Schedule VI	220	Balance Sheet as on 31.12.2008	11.04.09	05.05.09	Yes

Sd/-

Name : Sandeep Dar

Place : Navi Mumbai,
Dated : May 17, 2010

C. P. No.: 1571



■ ■ ■ AUDITORS' REPORT

TO THE MEMBER OF SWASTI VINAYAKA GEMS CORPORATION LIMITED, MUMBAI.

We have audited the attached Balance Sheet of **SWASTI VINAYAKA GEMS CORPORATION LIMITED**, Mumbai as at 31st March 2010 and the Profit and Loss Account for the period 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 the financial statements based on our audit.

1. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of Sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in Annexure hereto a Statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
 - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes 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 and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- (d) In our opinion, Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standard referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) In our opinion, and to the best of our information and explanations given to us none of the directors are disqualified as on 31st March, 2010 from being appointed as directors 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 read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India :
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **SANJAY RAJA JAIN & CO.**
Chartered Accountants

SANJAY RAJA JAIN
(Partner)

Place : Mumbai
Dated : May 17, 2010

Membership No. 108513



■ ■ ■ ANNEXURE TO AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE.)

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year.
- 2) a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- b) 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.
- c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records
- 3) The company has taken loans from parties listed in the register maintained U/s. 301 of the Companies Act, 1956. The year end balance of loan taken from such parties was Rs. 736.25 lacs. The Company has granted loans to Companies, Firms or other parties as listed in the register maintained under section 301 and / or to the Companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956. The year end balance of loan given to such parties was Rs. 73.24 lacs
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lacs only) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
- 6) As explain to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
- 7) In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- 8) The company is not required to maintain cost record U/s. 209(1)(d) of the Companies Act, 1956.
- 9) a) According to the information and explanation give to us and according to the books and records as produce and examined by us, in our opinion the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, wealth tax, service tax, and other material statutory dues as applicable with the appropriate authorities.
- b) According to the information and explanations given to us and according to the books and records as produce and examined by us, there is no dues of service tax, wealth tax, and cess which have not been deposited on account of any dispute.
- 10) The Company has no accumulated losses and has not incurred any cash losses during the Financial Year covered by our audit.
- 11) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues.
- 12) In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- 14) In our opinion and according to the information and explanation give to us and according to the books and records as produce and examined by us, the Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All shares and other investments have been held by the Company in its own name.





- 15) According to information and explanation given to us and to the best of knowledge, the Company has not given guarantees for loans taken by others from banks or financial institutions during the year.
- 16) In our opinion and according to information and explanation given to us, a company has taken terms loan Rs. 300 Lacs during the year.
- 17) According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Short Term sources and utilized the same towards Long Term investments and vice-versa.
- 18) During the year, the Company has not allotted any equity shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
- 19) According to information and explanation given to us, the Company has not issued any secured debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For **SANJAY RAJA JAIN & CO.**
Chartered Accountants

SANJAY RAJA JAIN
(Partner)

Membership No. 108513

Place : Mumbai
Dated : 17th May 2010



■ ■ ■ BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	As at 31.03.2010 Rupees	As at 31.12.2008 Rupees
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	1	4,00,00,000	4,00,00,000
Reserves & Surplus	2	73,42,591	62,78,961
LOAN FUNDS			
Secured Loans	3	4,18,73,315	4,16,70,226
Unsecured Loans	4	10,86,58,591	8,55,44,278
TOTAL FUNDS		19,78,74,497	17,34,93,465
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	5	2,12,43,794	1,82,39,449
Less : Depreciation & Amortisation		93,71,360	72,22,121
NET BLOCK		1,18,72,434	1,10,17,328
CAPITAL W.I.P.		3,21,71,517	2,34,87,840
INVESTMENTS		-	-
CURRENT ASSETS, LOANS & ADVANCES	6	18,61,56,979	16,70,48,861
LESS: CURRENT LIABILITIES & PROVISIONS	7	3,26,77,077	2,84,47,010
NET CURRENT ASSETS		15,34,79,902	13,86,01,851
NET DEFERRED TAX		3,50,644	3,86,446
TOTAL ASSETS (Net)		19,78,74,497	17,34,93,465
Statement of Significant Accounting Policies and Notes form integral part of Accounts	12		

As per our report of even date attached.

For and on behalf of the Board

For **Sanjay Raja Jain & Co.**
Chartered Accountants

Ramprasad Poddar
Chairman

Sanjay Raja Jain
(Partner)

Dinesh Poddar
Managing Director

Place : Mumbai
Date : 17th May, 2010





PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

	Schedule	15 Months Ended 31.03.2010 Rupees	12 Months Ended 31.12.2008 Rupees
INCOME :			
Sales		1,65,00,271	99,59,293
Compensation Income		7,44,17,293	4,84,88,574
Interest Income		5,09,882	3,611
Profit on Sale of Investments		-	31,03,925
Other Income	8	2,45,351	1,21,710
TOTAL		9,16,72,797	6,16,77,113
EXPENDITURE :			
Cost of Goods Sold	9	1,08,70,095	61,41,700
Administrative Expenses	10	4,13,25,095	3,20,88,195
Interest	11	1,80,10,548	74,55,270
Depreciation & Amortisation		21,49,239	17,74,764
TOTAL		7,23,54,977	4,74,59,929
Profit before Tax		1,93,17,820	1,42,17,184
Provision for Current Tax		(67,21,000)	(45,80,000)
Provision for Deferred Tax		(35,802)	1,75,100
Provision for Fringe Benefit Tax		(71,405)	(1,50,650)
Net Profit After Tax		1,24,89,613	96,61,634
Add : Excess /(Short) provision of earlier years		2,73,517	4,98,614
		1,27,63,130	1,01,60,248
Add : Balance B/F from last year		2,78,961	4,78,313
Profit available for Appropriations		1,30,42,091	1,06,38,561
APPROPRIATIONS :			
Proposed Dividend		1,00,00,000	80,00,000
Provision for Proposed Dividend Distribution Tax		16,99,500	13,59,600
Transferred to General Reserve		12,50,000	10,00,000
Balance carried to Balance Sheet		92,591	2,78,961
		1,30,42,091	1,06,38,561
Basic/Diluted Earning per share		0.31	0.24
Statement of Significant Accounting Policies and Notes form integral part of Accounts	12		

As per our report of even date attached.

For and on behalf of the Board.

For **Sanjay Raja Jain & Co.**
Chartered Accountants**Ramprasad Poddar**
Chairman**Sanjay Raja Jain**
(Partner)**Dinesh Poddar**
Managing DirectorPlace : Mumbai
Date : 17th May, 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2010 Rupees		As at 31.12.2008 Rupees
<u>SCHEDULE - 1</u>			
SHARE CAPITAL :			
AUTHORISED :			
5,00,00,000 Equity Shares of Re. 1/- each	5,00,00,000		5,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :			
4,00,00,000 Equity Shares of Re. 1/- each fully paid up (P.Y. 4,00,00,000 Equity Shares of Re. 1/- each fully paid up)	4,00,00,000		4,00,00,000
	4,00,00,000		4,00,00,000
<u>SCHEDULE - 2</u>			
RESERVES AND SURPLUS :			
General Reserve	60,00,000	1,50,00,000	
Add : Transfer during the year	12,50,000	10,00,000	
Less : Utilised for issue of bonus shares	-	1,00,00,000	
	72,50,000		60,00,000
Profit & Loss Appropriation	91,591		2,78,961
	73,41,591		62,78,961
<u>SCHEDULE - 3</u>			
SECURED LOANS :			
Kotak Mahindra Prime Ltd. (Secured Against Vehicles)	15,04,621		-
	15,04,621		-
HDFC Bank Ltd. -Term Loans (Secured against property in the name of group company and personal guarantee of Directors)	3,60,19,653		3,32,32,233
HDFC Bank Ltd. - Cash Credit A/c. (Secured against stock)	-		37,84,474
ICICI HFC Ltd. (Secured against Property)	43,49,041		46,53,519
	4,03,68,694		4,16,70,226
Total Secured Loans	4,18,73,315		4,16,70,226
<u>SCHEDULE - 4</u>			
UNSECURED LOANS :			
Intercorporate Loans	7,36,25,000		5,26,25,000
Loan From Others	-		12,80,000
Security Deposits [Interest Free]	3,50,33,591		3,16,39,278
	10,86,58,591		8,55,44,278

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE- 5

FIXED ASSETS (AT COST) :

(Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION & AMORTISATION			NET BLOCK	
	As At 01/01/2009	Additions	Deductions/ Adjustments	As At 31/03/2010	Upto 01/01/2009	For Current Period	Upto 31/03/2010	As At 31/03/2010	As At 31/12/2008
GOODWILL	12,51,799	-	-	12,51,799	2,50,360	2,50,360	5,00,720	7,51,079	10,01,439
FREE HOLD PLOT (JAIPUR)	4,10,651	-	-	4,10,651	-	-	-	4,10,651	4,10,651
OFFICE PREMISES	48,87,056	-	-	48,87,056	5,99,895	2,65,277	8,65,172	40,21,884	42,87,161
FURNITURES	64,14,073	8,74,893	-	72,88,966	27,61,211	8,93,625	36,54,836	36,34,130	36,52,862
VEHICLES	29,92,897	22,26,824	1,91,354	50,28,367	24,18,656	4,07,458	28,26,114	22,02,253	5,74,241
COMPUTERS & SOFTWARES	13,22,082	29,265	-	13,51,347	8,80,512	2,16,592	10,97,104	2,54,243	4,41,570
PLANT & MACHINERY	2,55,225	16,000	-	2,71,225	75,673	31,755	1,07,428	1,63,797	1,79,552
OFFICE EQUIPMENTS	7,05,666	48,717	-	7,54,383	2,35,814	84,172	3,19,986	4,34,397	4,69,852
TOTAL	1,82,39,449	31,95,699	1,91,354	2,12,43,794	72,22,121	21,49,239	93,71,360	1,18,72,434	1,10,17,328
Previous Year	1,73,62,769	8,76,680	-	1,82,39,449	54,47,357	17,74,764	72,22,121	1,10,17,328	1,19,15,412

SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	As at 31.03.2010 Rupees	As at 31.12.2008 Rupees
SCHEDULE - 6		
CURRENT ASSETS, LOANS & ADVANCES :		
INVENTORY :		
(As taken valued & certified by the management)		
Stock in Trade	8,10,50,014	7,04,10,020
	8,10,50,014	7,04,10,020
SUNDRY DEBTORS :		
(Unsecured & considered good by management)		
Debt outstanding more than six months	2,34,873	31,872
Other debts	28,62,848	12,38,363
	30,97,721	12,70,235
CASH AND BANK BALANCES :		
Cash in Hand	2,40,229	24,933
Foreign Currency in hand (\$)	-	83,741
Balance with Scheduled Banks	6,87,960	5,61,681
	9,28,189	6,70,355
LOANS AND ADVANCES:		
(Unsecured & considered good by Management)		
(Recoverable in cash or kind for a value to be received)		
Due from Companies under same Management	73,24,350	53,53,818
Prepaid Expenses	81,973	1,45,932
Advance for Making Charges	63,41,732	61,91,510
Advance to Creditors for goods & expenses	39,53,477	42,26,420
Others	2,04,541	1,26,090
Advance for Rates & Taxation	3,20,13,653	2,79,95,084
	4,99,19,726	4,40,38,854
DEPOSITS:		
Security Deposits (Considered good by Management)		
Others	5,05,30,000	5,05,30,000
	6,31,329	1,29,398
	5,11,61,329	5,06,59,398
TOTAL	18,61,56,979	16,70,48,861
SCHEDULE - 7		
CURRENT LIABILITIES AND PROVISIONS :		
CURRENT LIABILITIES :		
Unclaimed Dividend	1,87,364	20,539
Outstanding Expenses	19,39,687	17,04,140
Creditors for others	20,92,565	22,24,578
	42,19,616	39,49,257
PROVISIONS:		
Taxation & others	1,67,58,961	1,51,38,153
Proposed Dividend	1,00,00,000	80,00,000
Dividend Distribution Tax on Proposed Dividend	16,99,500	13,59,600
	2,84,58,461	2,44,97,753
TOTAL	3,26,78,077	2,84,47,010
	15 Months Ended 31.03.2010 Rupees	12 Months Ended 31.12.2008 Rupees
SCHEDULE - 8		
OTHER INCOME:		
Dividend	-	21,250
Miscellaneous Income	1,40,351	77,310
Service Charges	1,05,000	23,150
TOTAL	2,45,351	1,21,710



**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**

	15 Months Ended 31.03.2010 Rupees	12 Months Ended 31.12.2008 Rupees
SCHEDULE - 9		
COST OF SALES :		
Opening Stock	7,04,10,020	5,08,94,326
Purchases	1,58,89,243	2,19,71,720
Packing Material/Chgs.	2,49,534	1,91,108
Making Charges/Job work	50,29,426	32,52,213
Brokerage and Commission	1,33,485	1,13,290
Freight, Octroi, Custom, Stamp Duty & other exp.	2,08,401	1,29,063
Less : Closing Stock	8,10,50,014	7,04,10,020
Cost of Sales	TOTAL	61,41,700
SCHEDULE - 10		
ADMINISTRATIVE EXPENSES :		
Advertising & Publicity	18,03,358	37,99,691
Auditors Remuneration & Exps.	82,575	61,180
Bank & Finance Charges	5,46,042	1,74,968
Books & Periodicals	23,459	71,954
Compensation	62,95,546	50,41,731
Conveyance	8,69,744	7,79,158
Depository Service Charges	43,058	26,964
Directors Remuneration	40,51,484	18,78,787
Donation Expenses	7,50,000	6,00,000
Electricity Charges	7,89,661	5,20,900
Exhibition Expenses	44,53,714	19,30,494
General Expenses	6,92,299	2,40,879
Insurance Premium	21,01,189	16,16,304
Legal & Professional Charges	33,51,021	36,32,241
Listing & Filing Fees	18,658	83,789
Membership & Subscription Charges	1,65,861	1,75,579
Postage & Telephone Expenses, Courier Chgs.	4,60,905	3,26,008
Printing & Stationery	9,44,845	4,76,940
Rates & Taxes	17,05,062	13,67,971
Repairs & Maintenance	9,87,500	8,02,683
Sales Promotion Exps.	34,801	8,10,848
Security Charges	7,32,208	6,92,107
Service charges	17,15,429	9,14,707
Staff Cost	57,55,745	38,08,707
Stamp Duty & Registration Charges	3,88,584	2,99,952
Transportation Exps.	1,45,646	1,63,419
Travelling Expenses (including Foreign Travelling)	24,16,701	17,90,234
	TOTAL	3,20,88,195
SCHEDULE - 11		
INTEREST ON:		
Car Loan	62,125	3,034
Cash Credit	-	78,167
Loan	1,76,91,493	72,40,892
Others	2,56,930	1,33,177
	TOTAL	74,55,270



SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

SCHEDULE NO. 12

A) SIGNIFICANT ACCOUNTING POLICIES.

1. Basis of Accounting:

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

2. Fixed Assets & Depreciation:

a) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation.

b) Depreciation:

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

3. Inventories:

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

4. Investment:

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

5. Income Recognition:

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

6. Retirement Benefits :

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

7. Impairment

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

8. Taxation:

Income Tax Expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax

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

B) NOTES FORMING PART OF THE ACCOUNTS.

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

5. Payment to Auditors: -	Current Period (Rs.)	Previous Year (Rs.)
Statutory Audit fees	55,000	28,090
Taxation Matters	27,575	28,090
Other Matters	-	5,000
	-----	-----
	82,575	61,180
	=====	=====

6. Earning per Share:

Basic & diluted earning per share has been calculated by dividing Net Profit after tax for the year as per accounts, which is attributable to Equity Shareholders i.e. 40000000 No. of Equity shares outstanding during the last year for the current year.

- (a) Deferred Tax Asset of Rs. 3,50,644/- has been recognised and charged to the Profit and Loss A/c.

(b) Major component of deferred tax Asset:

	Current Period	Previous Year
Depreciation	Rs. 1,78,000/-	Rs. 1,99,942/-
Gratuity	Rs. 1,72,644/-	Rs. 1,86,504/-
	-----	-----
	Rs. 3,50,644/-	Rs. 3,86,446/-
	=====	=====



8. Director's Emoluments

Total Remuneration paid to Directors from January 2009 to March 2010 amounts to Rs.40,51,484/-.

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

	Current Period (Rs.)	Previous Year (Rs.)
Net Profit before tax	Rs. 1,93,17,819/-	Rs. 1,42,17,184
Add: Remuneration Paid	Rs. 40,51,484/-	Rs. 18,78,787
	-----	-----
Profit u/s 349	2,33,69,303	1,60,95,971
Remuneration @ 10% on above	23,36,930	16,09,597
Remuneration Paid	40,51,484	18,78,787

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

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

10. Foreign Exchange Earnings & Outgo :

	Current Period (Rs.)	Previous Year (Rs.)
<u>Total Foreign Exchange Earned:</u>		
Export	8,74,877/-	1,00,990/-
<u>Expenditure in Foreign Currency :</u>		
Foreign Travel	10,05,265/-	3,51,816/-
Import of goods	17,42,250/-	10,44,789/-

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

12. Details of opening stock, closing stock, purchases, sales & raw material consumed are enclosed herewith.

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

14. Figures of previous year have been regrouped, recasted and rearranged wherever necessary.

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

As per report even date attached.

For **Sanjay Raja Jain & Co.**
Chartered Accountants

Sanjay Raja Jain
(Partner)

Place : Mumbai
Date : 17th May, 2010.

For & on behalf of
Board of Director.

Ramprasad Poddar
Chairman

Dinesh Poddar
Managing Director



Point No. 11 of Notes Forming Part of Accounts
Information on related party transactions as required by Accounting Standard - 18 for the Period Ended
31st March, 2010

(Amount in Rs.)

Particulars	Key Managerial Persons		Relative of key Managerial Person		Companies/Firms Controlled by Key Managerial Persons/ Relatives	
	Current Period	Previous Year	Current Period	Previous Year	Current Period	Previous Year
Transactions during the year						
Purchase of Goods-Jewellery	-	98,500	-	-	2,10,180	78,875
Sales of Goods	54,230	9,72,700	7,170	2,520	4,29,050	-
Sales of Shares & Securities	-	2,70,000	-	49,500	-	-
Remuneration & Other Benefits	40,51,484	18,78,787	-	-	-	-
Loan Taken	-	-	-	-	8,56,60,119	1,69,00,000
Repayment of Loan taken	3,00,000	-	9,80,000	-	6,46,60,119	6,42,75,000
Loan Given	-	-	-	-	1,22,00,000	59,53,819
Repayment of Loan given	-	-	-	-	49,80,000	1,00,000
Interest Paid	44,877	36,098	1,64,549	1,32,362	1,18,05,079	48,91,342
Interest Received	-	-	-	-	4,64,219	3,611
Compensation Paid (Incl. of tax)	-	-	-	-	71,19,673	57,85,692
Donation	-	-	-	-	7,50,000	6,00,000
Total	44,50,591	32,56,085	11,51,719	1,84,382	18,82,78,439	9,85,88,339
Outstanding Balance as on 31/03/2010						
Loans & advances Taken	-	3,00,000	-	9,80,000	(7,36,25,000)	5,26,25,000
Loans Given	-	-	-	-	72,20,000	53,53,819
Interest on Loan	-	-	-	-	1,04,350	-
Warehouse/Security Deposit Given	-	-	-	-	92,30,000	92,30,000
a) Key Managerial Persons:	Dinesh Kumar Poddar Harshvardhan Agarwal Ramprasad Poddar Shilpa D. Poddar Vishwanath Rungta					
b) Relatives of Key Managerial Persons:	Laxmidevi Khetan Nupur R. Poddar Prabhat Dinesh Poddar Rhea Dinesh Poddar Sanjiv Rungta Urja Surekha Vimladevi V. Rungta					
c) Companies/ Firms over which the Key Managerial Persons/ Relatives have significant influence or control:	Swasti Vinayaka Synthetics Ltd. Ashirwad Capital Ltd. Ashirwad Shelters Pvt. Ltd. Fatehpur Welfare Trust Ivy League Fashions Pvt. Ltd. Ma Passion (India) Ltd. Swasti Vinayaka Investech Ltd. Swasti Vinayaka Realstate Development Ltd.					
Note : No amount have been written off/provided for or written back during the year in respect of debts due from or to related parties.						



Point No.12 of Notes Forming Parts of Accounts

I) Details of Opening & Closing Stock for the period 1.1.2009 to 31.03.2010

	Opening Stock			Closing Stock		
	Units	Quantity	Value-(Rs.)	Units	Quantity	Value-(Rs.)
Domestic :						
Diamond	Pcs.	28	1,55,99,805	Pcs.	24	1,40,13,435
Emerald Stone	Cts.	5	2,88,000	Cts.	5	2,88,000
Sapphire	Cts.	10	2,429	Cts.	-	-
Jewellery	Pcs.	100	63,02,685	Pcs.	74	67,07,563
W.I.P- Jewellery	Pcs.	10	3,30,246	Pcs.	10	57,852
Rough Stone	Kg.	7,253	2,20,19,827	Kg.	1,62,32,296	2,56,37,117
Finished Goods- SF	Pcs.	1,224	51,89,449	Pcs.	1,366	83,09,357
Finished Goods- SG	Pcs.	6	44,440	Pcs.	8	47,074
Finished Goods- JO	Pcs.	-	-	Pcs.	4	97,545
Paintings	Pcs.	48	1,26,96,620	Pcs.	141	1,69,85,420
SHM	Pcs.	7	2,01,000	Pcs.	6	1,98,500
W.I.P- RF	Kg.	889	54,74,908	Kg.	2,64,84,448	49,34,454
W.I.P- JB	Kg.	31	2,13,087	Kg.	5,070	25,893
GST	Cts.	584	3,17,200	Cts.	1,322	3,28,160
SF-Direct	Cts.	-	-	Cts.	2,60,000	1,50,000
Imported :						
Artefacts-ISF	Pcs.	12	55,922	Pcs.	8	52,375
Artefacts-ISF [Manufactured]	Pcs.	50	1,55,492	Pcs.	168	4,89,037
Cut & Polished Stones-IST	Cts.	196	1,34,260	Cts.	1,69,678	3,94,170
Ruby	Cts.	21	82,573	Cts.	202	35,624
Emerald	Cts.	2	2,38,764	Cts.	2	2,38,764
Sapphire-ISAP	Pcs.	15	3,06,568	Pcs.	10	5,57,310
Rough Stone-Imported	Kg.	163	5,96,043	Kg.	12,50,019	12,26,924
WIP - Rough Stone-Imported	Kg.	-	19,289	Kg.	-	24,936
Total			7,02,68,607			8,07,99,509

II) Details of Purchases & Sales for the period 1.1.2009 to 31.03.2010

	Purchases			Sales		
	Units	Quantity	Value-(Rs.)	Units	Quantity	Value-(Rs.)
Domestic :						
Diamond	Pcs.	-	-	Pcs.	4	15,86,370
Jewellery	Pcs.	38	32,97,556	Pcs.	65	36,45,243
Rough Stone	Kg.	1,02,02,801	44,98,863	Kg.	-	-
Finished Goods- SF	Pcs.			Pcs.	555	27,49,428
Finished Goods- JO	Pcs.			Pcs.	31	86,300
Paintings	Pcs.	151	56,66,700	Pcs.	60	14,68,700
SHM	Pcs.	-	-	Pcs.	1	2,500
GST	Cts.	1,557	56,591	Cts.	720	5,763
SF-Direct	Cts.	3,26,868	3,58,097	Cts.	66,866	2,10,180
JO-Direct	Cts.	10,965	4,386	Cts.	10,965	4,386
Imported :						
Artefacts-ISF	Pcs.	-	-	Pcs.	4	3,546
Artefacts-ISF (Manufactured)	Pcs.	-	-	Pcs.	146	1,76,333
Cut & Polished Stones-IST	Cts.	2,11,374	4,57,235	Cts.	41,815	91,712
Ruby	Cts.	186	3,192	Cts.	-	-
Sapphire-ISAP	Pcs.	10	4,85,843	Pcs.	7	2,35,100
Rough Stone-Imported	Kg.	11,74,913	7,95,983	Kg.	27,459	12,703
Total			1,56,24,446			1, 02,78,265

III) Details of Raw Material Consumed during the period 1.1.2009 to 31.03.2010

	Quantity (Cts.)	Value (Rs.)
Rough Stone	1,51,56,702	15,76,772



Point No.13 of Notes on accounts
Information about Business Segment For 15 Months Ended on 31.03.2010
(Rupees)

Particulars	Compensation Recd. from sub-lease property		Trading in Investments		Sale of Artifacts		Total	
	Period Ended 31.03.2010	Year Ended 31.12.2008	Period Ended 31.03.2010	Year Ended 31.12.2008	Period Ended 31.03.2010	Year Ended 31.12.2008	Period Ended 31.03.2010	Year Ended 31.12.2008
Segment Revenue								
External Sales/Income	7,44,17,293	4,84,88,574	-	31,03,925	1,65,00,271	99,59,293	9,09,17,564	6,15,51,792
Dividend Income	-	-	-	21,250	-	-	-	21,250
Inter-segment transfer	-	-	-	-	-	-	-	-
<u>Unallocated Revenue</u>								
Other Income-Misc. Income	-	-	-	-	-	-	2,45,351	1,00,460
Interest Income	-	-	-	-	-	-	5,09,882	3,611
Total Revenue	7,44,17,293	4,84,88,574	-	31,25,175	1,65,00,271	99,59,293	9,16,72,797	6,16,77,113
<u>Direct Expenses</u>								
Advertising & Publicity	-	-	-	-	17,80,743	36,51,303	17,80,743	36,51,303
Cost of Sales	-	-	-	-	1,08,70,095	61,41,700	1,08,70,095	61,41,700
Compensation	62,95,546	50,41,731	-	-	-	-	62,95,546	50,41,731
Demat charges	-	-	-	3,448	-	-	-	3,448
Depository Services	-	-	-	26,964	-	-	-	26,964
Rates & Taxes- Prop. Tax	16,95,537	13,54,236	-	-	-	-	16,95,537	13,54,236
Repairs & Maint.	3,92,000	6,03,840	-	-	-	-	3,92,000	6,03,840
Sec. Transaction & Others	-	-	-	9,669	-	-	-	9,669
Stamp duty & Registration	3,88,584	2,99,952	-	-	-	-	3,88,584	2,99,952
Sundry Bal. w/off.	-	-	-	-	-	69,846	-	69,846
Travelling Exp.	-	-	-	-	24,16,701	17,90,234	24,16,701	17,90,234
Total Expenditure	87,71,667	72,99,759	-	40,081	1,50,67,540	1,16,53,083	2,38,39,207	1,89,92,923
Segment result	6,56,45,626	4,11,88,815	-	30,85,094	14,32,731	(16,93,790)	6,70,78,357	4,25,80,119
Unallocated Expenses	-	-	-	-	-	-	3,05,05,223	2,10,11,736
Operating profit	6,56,45,626	4,11,88,815	-	30,85,094	14,32,731	(16,93,790)	3,73,28,367	2,16,72,454
Less : Unallocated Interest	-	-	-	-	-	-	1,80,10,548	74,55,270
Profit before tax	6,56,45,626	4,11,88,815	-	30,85,094	14,32,731	(16,93,790)	1,93,17,819	1,42,17,184
Income Tax								
Current	-	-	-	-	-	-	(67,21,000)	(45,80,000)
Deferred	-	-	-	-	-	-	(35,802)	1,75,100
F.B.T.	-	-	-	-	-	-	(71,405)	(1,50,650)
Net Profit	-	-	-	-	-	-	1,24,89,612	96,61,634
Other Information								
Segment Assets	97,89,854	12,70,235	-	-	17,33,75,890	13,65,32,552	18,31,65,744	13,78,02,787
Common Assets	-	-	-	-	-	-	4,73,81,904	6,41,37,688
Total Assets	-	-	-	-	-	-	23,05,47,648	20,19,40,475
Segment Liabilities	3,17,52,302	3,20,39,290	-	-	11,32,468	15,24,291	3,28,84,770	3,35,63,581
Common Liabilities	-	-	-	-	-	-	19,76,62,878	16,83,76,894
Total Liabilities	-	-	-	-	-	-	23,05,47,648	20,19,40,475
Capital Expenditure	-	-	-	-	86,83,677	1,70,11,932	86,83,677	1,70,11,932
Others Capital Expenditure	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	21,49,240	17,74,764

**Balance Sheet Abstract & Company's General Business Profile**

I. Registration Details	
Registration no.	36536
State Code	11
Balance Sheet Date	31/03/2010
II. Capital raised during the year (Amount in Rs.)	
Public Issue	NIL
Rights Issue	NIL
Private Placement	NIL
Bonus Issue	NIL
III. Position of mobilization and deployment of funds (Amount in Rs.)	
Total Liabilities	19,78,74,497
Total Assets	19,78,74,497
SOURCES OF FUNDS	
Paid up Capital	4,00,00,000
Reserves & surplus	73,42,591
Secured Loans	4,18,73,315
Unsecured Loans	10,86,58,591
APPLICATION OF FUNDS	
Net Fixed Assets	4,40,43,951
Investments	-
Net Current Assets	15,34,79,902
Deferred Tax Asset	3,50,644
Misc. Expenditure	-
IV. Performance of the Company (Amount in Rs.)	
Turnover (including other incomes)	9,16,72,797
Total Expenditure	7,23,54,977
Profit Before Tax	1,93,17,820
Net Profit After Tax	1,24,89,613
Earnings Per Share (Rs.)	0.31
Dividend Rate (%)	25%
V. Generic names of Principal Product/Services of the Company	
Item Code No. (ITC Code)	Not Applicable
Product Description	Investment in shares, Letting out Property, Trading in Diamonds, Precious Stones, Jewellery & Manufacturing of Artifacts.

For and on behalf of the Board.

Ramprasad Poddar
Chairman**Dinesh Poddar**
Managing DirectorPlace : Mumbai
Dated : 17th May, 2010

Cash Flow Statement (Prepared Pursuant to Listing Agreement)

	15 Months Ended 31-03-2010		12 Months Ended 31-12-2008	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities				
Net Profit /Loss Before Tax & Extra Ordinary items		1,93,17,820		1,42,17,184
Adjustment for :				
Depreciation & Amortisation	21,49,239		17,74,764	
Sundry Balance w/off	(7,385)		69,846	
Interest Paid	1,80,10,548		74,55,270	
Dividend Received	-		(21,250)	
Profit/Loss on Sale of Investments/Fixed Asset	21,354		(31,03,925)	
Interest Received	(5,09,882)	1,96,63,874	(3,611)	61,71,094
Operating Profit Before Working Capital Changes		3,89,81,694		2,03,88,278
Adjustment for Working Capital :				
(Increase)/Decrease in Trade & Other receivable	(18,27,486)		(2,68,379)	
(Increase)/Decrease in Closing Stock	(1,06,39,994)		(1,95,15,694)	
(Increase)/Decrease in Loans & Advances	(18,62,303)		(41,50,442)	
(Increase)/Decrease in Deposits	(5,01,931)		(38,19,970)	
Increase/(Decrease) in Creditors & Outstanding Liabilities	2,70,359	(1,45,61,355)	14,91,180	(2,62,63,304)
Income Tax Paid & Tax Deducted at Source		2,44,20,339 (89,10,266)		(58,75,026) (86,80,079)
Cash Generated from Operating Activities		1,55,10,073		(1,45,55,105)
B. Cash Flow from Investing Activities :				
Sale of Investments	-		51,99,640	
Purchase of Fixed Assets-Work in Progress	(1,18,79,375)		(1,78,88,613)	
Sale of Fixed Assets	1,70,000		-	
Dividend Received	-		21,250	
Interest Received	5,09,882	(1,11,99,493)	3,611	(1,26,64,112)
Cash Generated from Investing Activities		43,10,580		(2,72,19,216)
C. Cash Flow from Financing Activities :				
Increase / (Decrease) in Secured loans	2,03,089		(39,948)	
Increase / (Decrease) in Unsecured Loan	2,31,14,313		4,90,70,808	
Interest Paid	(1,80,10,548)		(74,55,270)	
Dividend Paid	(80,00,000)		(1,20,00,000)	
Dividend Tax Paid	(13,59,600)	(40,52,746)	(20,39,400)	2,75,36,190
Cash Generated from Financing Activities		2,57,834		3,16,974
Net Cash Generated/Used in Operating, Investing & Financing Activities		2,57,834		49,70,790
Cash & Cash Equivalent as on 31st December, 2008		6,70,355		3,53,381
Cash & Cash Equivalent as on 31st March, 2010		9,28,189		6,70,355

Note : Figures in brackets represent negative figures

Place : Mumbai
Dated : 17th May, 2010

For and on behalf of the Board.

Ramprasad Poddar
Chairman

Dinesh Poddar
Managing Director

AUDITORS' CERTIFICATE

We have verified the above Cash Flow of Swasti Vinayaka Gems Corporation Limited, derived from the Audited Financial Statement and the books & records maintained by the company for the year ended on 31st December, 2008 and 15 Months Ended on 31st March, 2010 and found the same to be drawn in accordance therewith.

Place : Mumbai
Dated : 17th May, 2010

For **Sanjay Raja Jain & Co.**
Chartered Accountants

Sanjay Raja Jain
(Partner)





SWASTI VINAYAKA GEMS CORPORATION LIMITED

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

ATTENDANCE SLIP

(TO BE SURRENDERED AT THE TIME OF ENTRY)

Folio No./Client ID : _____ No. of Shares: _____

Name of Member/Proxy: _____

I hereby record my presence at the 24th Annual General Meeting of the Company on Saturday the 10th July, 2010 at 11:30 a.m. at Sachivalaya Gymkhana, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032 and at any adjournment thereof.

Member's / Proxy's Signature

Notes:

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

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SWASTI VINAYAKA GEMS CORPORATION LIMITED

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

PROXY FORM

I/Weof
being a member / member(s) of Swasti Vinayaka Gems Corporation Limited, hereby appoint.....
of.....or failing him / her.....of.....or
failing him / her..... of..... as
my / our proxy to vote for me / us and on my / our behalf at the 24th Annual General Meeting of the Company on Saturday the 10th July, 2010 at 11:30 a.m. at Sachivalaya Gymkhana, 6, General Jagannathrao Bhosale Marg, Opp. Mantralaya, Mumbai - 400 032 and at any adjournment thereof.

Signed this Day of2010

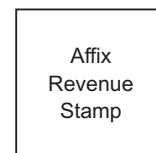
Folio No./Client Id

No. of Share:

Name:

Signature(s)

Address:



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



