



18th
ANNUAL
REPORT
2009-10

NARBADA
GEMS AND JEWELLERY LIMITED

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NARBADA GEMS AND JEWELLERY LIMITED

BOARD OF DIRECTORS

DIRECTORS

Managing Director-

Shri Sanjay Kumar Sanghi
Shri Ritesh Kumar Sanghi
Shri Vinod Kumar Agarwal
Shri Sunder Kanaparthi
Shri Ram Prasad Vempati

AUDITORS

M/s Venugopal & Chenoy
Chartered Accountants
Tilak Road, Hyderabad

BANKERS

State Bank of India
Commercial Branch
Koti, Hyderabad

REGISTERED OFFICE

"Sadana Building, 1st Floor.,
3-6-290/18, Hyderaguda.
Hyderabad-500029

DEPOSITORY REGISTRAR & SHRE TRANSFER AGENTS

M/s CIL SECURITIES LIMITED
208, Raghav Ratna Towers
Chirag Ali Lane, Abids
Hyderabad-500001
Phone: 23202465 Fax 040-23203028
E-mail: cilsec@rediffmail.com

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of Members of M/s NARBADA GEMS & JEWELLERY LIMITED will be held on Wednesday the 29th day of September 2010, at 3.30 P.M at Rajasthani Graduates Associates Bhavan, Abids, Hyderabad, (A.P.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010, and Profit and Loss Account for the year ended on that date and the reports of the Director and Auditors thereon.
2. To appoint a Director in place of Shri Ritesh Kumar Sanghi who retires by rotation and being eligible himself for reappointment.
3. To appoint a Director in place of Shri V.K Agarwal who retires by rotation and being eligible himself for reappointment.
4. To appoint the Auditors and fix their remuneration.

Place: Hyderabad
Date: 04.09.2010

By order of the Board
Sd/-

SANJAY KUMAR SANGHI
Managing Director
For NARBADA GEMS AND JEWELLERY LTD

NOTES:

1. Any Member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself /herself and the proxy need not to be the member of the Company. The instrument appointing the proxy, to be effective, should be deposited at the Registered office of the company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th, September 2010 to 29th, September 2010 (both days inclusive) for the purpose of Annual General Meeting.
3. All correspondence and share transfer documents must be addressed to the Share Transfer Agents
4. Member who hold shares in dematerialized form are requested to bring their clients Id and DPID number for easy identification of their attendance at the meeting.
5. Members holding the shares in physical and electronic form are required to inform immediately the changes, if any, in their address of Share Transfer Agents.

For NARBADA GEMS AND JEWELLERY LTD


Managing Director

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure to present the Eighteenth Annual Report of the Company together with the Audited Accounts of Your Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

Your Company's performance during the year 2009-2010 is summarized below:

(Rs. in lakhs)

S.No	Particulars	2009-10	2008-09
1.	Sales	217.53	222.27
2	Other Income	14.45	—
3.	Stock in hands	12.95	—
4	Total Income (1+2+3)	245.03	222.27
5	Expenditure	233.63	212.11
6	Profit / Loss Accounts before depreciation and Misc. Exp. Written off (4-5)	11.40	10.16
7	Depreciation	0	0
8	Misc. Expenditure written off	0	0.02
9	Net Profit	11.40	10.13
10	Earning Per Share	0.21	0.18

BUSINESS REVIEW

Your Company experienced a small decline in sales in the current year to Rs. 217.53 lakhs compared to last year sales of Rs. 222.27 lakhs. The demand for jewellery and gems has not been able to pick up alongside the start of recovery of markets after the recessionary phase. The fears of slow growth of American and European economies have brought the respective currency values down and consequently the prices of Gold and Silver have witnessed quantum jump which has resulted in lower sales for the Company. The Company witnesses demand from HNI's who are now buying bullion to offset the loss on other investments. On the other hand, the decline in disposable incomes of large base of customers and due to increase in high purchasing cost, the savings of middle class has drastically declined, which resulted in the low demand for jewellery. Even after testing market conditions and high administrative costs, the Company has maintained profit of Rs.11.40 lakhs against Rs. 10.16 lakhs in the previous year due to various austerity measures implemented.

DIVIDEND:

Due to inadequate profits and in order to conserve resources for expanding the business. Your Directors have opined to not recommend any dividend for the year 2009-10.

FUTURE OUTLOOK

The Company had planned to launch few brands to position itself into various customer segments which could not take off due to pressing market conditions. However, since the world economies are on recovery path, the future looks optimistic and therefore the Company has tied up with a major jewellery manufacturing company for exclusive Distribution network in Andhra Pradesh. The Company has used the time to build up a strategy to give a boost to exports which were started last year and a customer base was made.

The Company has perceived the need for own manufacturing facilities and therefore is planning to create a strategic alliance for the purpose in near future for a precious stone jewellery This will enable the Company to launch its own brands and penetrate the markets far and deep and this in turn would entail into building a Brand Value and visibility. The Promoters are committed to take the Company to cross Rs. 10 crores turnover in year ending March, 2011.

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DIRECTORS

Shri. Ritesh Kumar Sanghi and Shri V.K Agarwal retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Their respective profiles are given elsewhere in the report. Your Directors recommend their re-appointment.

FIXED DEPOSIT

Your Company has not accepted any fixed deposits from public during the year.

AUDITORS:

M/s. Venugopal & Chenoy, Chartered Accountants, the present statutory auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors confirm:

- (i) that in the preparation of the Annual Accounts for the year ended on 31st March 2010, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments 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 31st March 2010 and of the loss for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended on 31st March 2010, ongoing concern basis.

INDUSTRIAL AND PERSONNEL RELATIONS:

The relationship between the management and the staff continued to be cordial.

PARTICULARS OF EMPLOYEES:

In pursuance of the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the Directors are to report that no employee was in receipt of emoluments as provided in the said Section.

ADDITIONAL INFORMATION AS REQUIRED U/S 217 (1) (e) OF THE COMPANIES ACT, 1956:

The statement giving particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is attached to the report.

CORPORATE GOVERNANCE

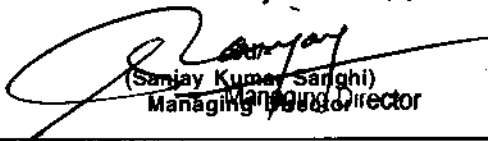
The Corporate Governance and Management Discussion Analysis Report are annexed hereto as Annexure – 2 & 3 respectively and they form part of Director' Report

ACKNOWLEDGEMENT

Your Directors express their appreciation for the support received from the Banks, Government Authorities, Customers, Vendors and Shareholder.

For NARBADA GEMS AND JEWELLERY LTD For and on behalf of the Board of Directors

Place: Hyderabad
Date: 04.09.2010


(Sanjay Kumar Sanghi)
Managing Director

Sd/-
(Ritesh Kumar Sanghi)
Director

ANNEXURE - 1**INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS' RULES, 1988**

- a) Energy Conservation Measures taken: **Not Applicable as Company is in the business of Jewellery manufacturing and trading which are more dependent on Human skill than power consumption.**
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : **Nil**
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : **Not Applicable**

FORM-A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Particulars	2009-10	2008-09
A. POWER AND FUEL CONSUMPTION:		
Electricity		
a) Purchased : Units (KWH)	13.456	Nil
Total Amount (Rs.)	80737.00	Nil
Rate/Unit (Rs.)	6.00	Nil
b) Own Generation		
Through diesel generator: Units (KWH)	Nil	
Units per litre of diesel oil		
Cost per Unit (Rs.)		
B. CONSUMPTION PER UNIT OF PRODUCTION:		
Electricity consumption	Nil	Nil

FORM B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

- A. RESEARCH AND DEVELOPMENT (R&D) : Not Applicable
- B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION – Not Applicable

FORM - C**FOREIGN EXCHANGE EARNINGS AND OUTGO****(in Rupees)**

Particulars	2009-10	2008-09
a) Foreign Exchange earned (Recovery of old dues from Sundry Debtors)	Nil	Nil
b) Foreign Exchange used:	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy On Corporate Governance:

The Listing Agreement entered into by the Company with the Stock Exchanges contemplates compliance with the Code of Corporate Governance. The Company has always believed in managing its affairs with diligence, transparency, responsibility and accountability. It is firmly believed that good corporate governance practices would ensure efficient conduct of the affairs of the company and help the company achieve in its goal of maximizing stakeholder's value.

As a part of the compliance of revised Clause 49 of Listing Agreement, the Company presents hereunder the required disclosures in the form of a Report for information of all the stakeholders.

2. Board of Directors:**2.1. Composition:**

The Board of Director consists of 5 Directors as on date. The Composition and category of Director and the changes during the period is as follows:

Name	Designation	Category	No. of other Director - Ships	No. of Board Committee Membership held
Shri Sanjay Kumar Sanghi	Managing Director	Promoter & Executive	3	Nil
Shri Ritesh Kumar Sanghi	Director	Promoter & Non-Executive	3	Nil
Shri Vinod Kumar Agarwal	Director	Non- Executive - Independent	3	3
Shri Sunder Kanaparthi	Director	Non - Executive - Independent	Nil	3
Shri Ram Prasad Vempati	Director	Non- Executive - Independent	2	3

2.2. Board Meeting and Procedures:**A. Guidelines:**

The Company has been adopting the guidelines set forth for proper corporate governance with respect to the various matters that need to be placed before the Board for its considerations and approvals.

B. Scheduling and selection of Agenda Items for Board Meeting:

- i) According to the Companies Act, 1956, the Company is required to hold minimum of four Board Meetings in a year with one meeting held in each quarter. The Board Meeting is duly called and convened by giving proper notice to all the directors of the Company. The Board is also authorized to pass any resolution of urgent nature by circulation subject to the compliance of provisions of Companies Act, 1956.
- ii) The meetings are usually held at the Registered Office of the Company in Hyderabad.
- iii) The Agenda for the meeting is prepared in consultation with the Managing Director keeping in view all the matters including operational matters to be discussed by the Board.

C. Board Material Distributed in Advance:

- i) Notice of the Board Meeting and the notes to agenda are sent to all the Directors of the Company in advance.
- ii) Any sensitive matter may be discussed at the meeting without prior intimation to directors in exceptional circumstances.

D. Recording minutes of proceedings at Board Meeting:

The Minutes of the proceedings of each Board and Committee Meeting is prepared and approved by the Chairman within 30 days from the conclusion of the Meeting.

2.3. Attendance of each Director at the Board meetings & last Annual General Meeting:

Sl. #	Name of the Director	Attendance	
		Board Meetings	AGM held On 30 th September, 2009.
1.	Shri Sanjay Kumar Sanghi	5	Present
2.	Shri Ritesh Kumar Sanghi	5	Present
3.	Shri Vinod Kumar Agarwal	4	Present
4.	Shri Sunder Kanaparthi	2	Not present
5.	Shri Ram Prasad Vempati	5	Present

2.4. Number of Board Meetings held and the dates on which held

Five (5) Board Meetings were held during the year 2009-10 on 30.04.2009, 30.07.2009, 31.08.2009, 28.10.2009 and 28.01.2010.

2.5. Code of Ethics

The Company has prescribed a code of ethics for its directors and senior management. The declaration from the Executive Director stating that all the directors and the senior management of the Company have affirmed compliance with the code of ethics for the financial year 2009-10 has been reproduced below:-

Declaration – Code of Conduct

This is to confirm that the Board has laid down a code of conduct for all Directors and senior management personnel of the Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the code of conduct of the Company for the financial year ended on 31st March 2010, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

Place: Hyderabad

Date: 04.09.2010

For Narbada Gems & Jewellery Limited

Sd/-

Sanjay Kumar Sanghi
Managing Director

2. AUDIT COMMITTEE:

3.1 Composition:

S No.	Name of the Director	Status
1.	Shri Ram Prasad Vempati	Chairman
2.	Shri Sunder Kanaparthi	Member
3.	Shri Vinod Kumar Agarwal	Member

3.1 Terms of Reference

The terms of reference of the Audit committee including the following:-

1. To review the quarterly, half yearly and annual financial results of the Company before submission to the Board.
2. To oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To hold periodic discussions with statutory auditors and internal auditors of the Company concerning the accounts of the company, internal control systems, scope of audit and observations of auditors.
4. To make recommendations to the Board on any matter relating to the financial management of the Company, including the audit report.
5. To recommend the appointment and removal of external auditors, fixation of audit fees and also approval of fee for any other services by the auditors.
6. To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice if necessary.
7. To make recommendations to the Board on any matter relating to the financial management of the Company.

3.3. Meeting and attendance during the year:

The meetings of the Audit Committee were held on 30.04.2009, 30.07.2009, 31.08.2009, 28.10.2009 and 28.01.2010. The Committee reviewed the financial statements before being placed before the Board for approval.

4. Remuneration Committee:

The Remuneration Committee constituted by the Company is responsible for looking into the remuneration payable to the Whole-time Directors and other Employees of the Company. The Non-Executive Directors of the Company are not entitled for any remuneration other than fee payable for attending Board & Committee Meetings. The Committee frames the policy on specific remuneration packages for Whole-time Directors including pension rights and compensation payments. The Committee also approves the Remuneration Policy for employees other than Whole-time Directors as may be recommended to it.

Composition

The Remuneration Committee of the Company comprises of three directors all of them being non-executive independent directors.

S No.	Name of the Director	Status
1.	Shri Vinod Kumar Agarwal	Chairman
2.	Shri Sunder Kanaparthi	Member
3.	Shri Ram Prasad Vempati	Member

Meetings of the Committee and Attendance

Since none of the Director or Senior level Managers were drawing substantial remuneration, no meetings of the Committee were held during the period ended 31st March, 2010.

5. Shareholders Grievance Committee:

The Shareholders Grievance Committee of the Company comprises of following directors:

S No.	Name	Status
1.	Shri Vinod Kumar Agarwal	Chairman
2.	Shri Sunder Kanaparthi	Member
3.	Shri Ram Prasad Vempati	Member

The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of the balance sheet, non-receipt of declared dividends, if any, etc. No Investor complaints were remaining to be redressed as at 31st March, 2010.

Meeting and attendance during the year:

The meetings of the Committee were held during the year on 31.07.2009, 31.12.2009, 01.02.2010, 02.03.2010, 15.03.2010 and 31.03.2010 mainly for approval of share transfers.

The Company has appointed Mr. Sanjay Sanghi as Compliance Officer after resignation of Mr. Murli Krishna, as the Compliance Officer of the Company. All the investor complaints received by the Company during the financial year were attended to the satisfaction of the investors. The Company does not have any pending share transfers and investor complaints as on the date of Directors' Report.

6. Annual General Meetings

Location and time for last three Annual General Meetings were as follows:

S No.	Year	Venue	Date / Time
1.	2006-07	Surana Auditorium, FAPCCI Bhawan, Red Hills, Hyderabad.	29 th December, 2007 at 11.30 A.M.
2.	2007-08	J.S. Krishna Murthy Hall, FAPCCI Bhawan, Red Hills, Hyderabad.	29 th September, 2008 at 11.30 A.M.
3.	2008-09	Rajasthan Graduate Associates, Snatak Bhawan, Abids, Hyderabad.	30 th September, 2009 at 11.00 A.M.

7. Disclosures

1. No transaction of material nature has been entered into by the company with directors or management and their relatives etc that may have a potential conflict with the interests of the company. The Register of contracts containing transactions in which directors are interested is placed before the Board regularly.
2. There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or Stock Exchanges does not arise.
3. The Company is in compliance with all the mandatory requirements and has fulfilled the non-mandatory requirements as prescribed in Annexure 1D of the revised Clause 49 of the Listing Agreement with Stock Exchanges.
4. The Company has adopted with the Code of Conduct applicable to all Directors, senior management and employees. The Declaration as required under Clause 49 is as below:

DECLARATION REGARDING CODE OF CONDUCT

To the Shareholders

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Place : HYDERABAD
Date : 04th September, 2010

SANJAYKUMAR SANGHI
MANAGING DIRECTOR

CEO/CFO CERTIFICATION

To
The Board of Directors,
Narbada Gems and Jewellery Limited

I have reviewed the financial statements, read with the cash flow statement of Narbada Gems and Jewellery Limited for the year ended 31st March, 2010 and that to the best of our knowledge and belief, we state that:

- A. (i) These statements do not contain any materially untrue statement or omit any material Fact or contain statement that may be misleading;
- (ii) These statements present a true and fair view of the company's affair and are in compliance with current accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee;
- (i) Significant changes, if any, in the internal control over financial reporting during the year.
- (ii) Significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes of the financial statements; and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : HYDERABAD
Date : 04th September, 2010

SANJAYKUMAR SANGHI
MANAGING DIRECTOR

5. CEO Certification: The Director and Chairman has given a certificate as contemplated in Clause 49 of the Listing Agreement.
6. The requirements of the Audit and other Committees as contemplated in Clause 49 have been complied with as per the report set above in respect of the same.
7. **The Management Discussion and Analysis is provided elsewhere in this report.**

8. **Means of Communication:**

Financial results are published by the Company in the prescribed format in Business Standard and Andhra Prabha within 48 hours of approval by the Board.

9. **General Shareholder Information:**

9.1. **Annual General Meeting:**

Date and Time : 29th September, 2010 at 3.30 PM.

Venue : Rajasthani Graduates Associates Bhavan, Abids, Hyderabad, (A.P.)

9.2. **Financial Calendar (tentative):**

Results for the quarter ending June 30, 2010 : Last week of July, 2010

Results for the quarter ending September 30, 2010 : Last week of October, 2010.

Results for the quarter ending December 31, 2010 : Last week of January, 2011.

Results for the year ending March 31, 2011 : Last week of June, 2011

Annual General Meeting : September, 2011

9.3. **Date of Book closure** : 25th September, 2010 to 29th September, 2010 (both days inclusive).

9.4. **Dividend Payment Date** : No dividend has been recommended.

9.5. **Listing on Stock Exchange** : a) Bombay Stock Exchange Limited
b) Madras Stock Exchange Association Ltd.
d) Delhi Stock Exchange Association Ltd.

9.6. **Stock Code** : 519455 at BSE

9.7. **Market Price Data** :

Month	BSE, Mumbai		
	High price	Low price	No. of shares traded
APRIL 2009	Nil	Nil	Nil
MAY 2009	Nil	Nil	Nil
JUNE 2009	Nil	Nil	Nil
JULY 2009	Nil	Nil	Nil
AUGUST 2009	Nil	Nil	Nil
SEPTEMBER 2009	Nil	Nil	Nil
OCTOBER 2009	Nil	Nil	Nil
NOVEMBER 2009	Nil	Nil	Nil
DECEMBER 2009	Nil	Nil	Nil
JANUARY 2010	Nil	Nil	Nil
FEBRUARY 2010	50.00	15.00	348044
MARCH 2010	17.60	10.40	87754

Note: - The notice for Revocation of Suspension in trading of equity shares of the Company was issued on 02.02.2010 stating that the trading in the securities of the Company will be resumed w.e.f. 08.02.2010 in "B" Category.

9.8. **Listing fees** : The Listing Fees for the year 2010- 2011 has been paid to the Stock Exchanges except Delhi and Madras.

9.9. Registrar and Share Transfer Agents : M/s. CIL Securities Limited.
 208, Raghav Ratna Towers, Chirag Ali Lane, Abids
 Hyderabad - 500 001.
 Phone: 23202465 Fax : 040- 23203155
 Email : cjsec@rediffmail.com

9.10. Share Transfer System

The share transfers which are received in physical form are processed by the Registrar and Transfer Agents and the share certificates are returned after affecting the transfer, subject to the documents being valid and complete in all respects.

9.11 SHAREHOLDING PATTERN AS ON 31ST MARCH, 2010

S.No.	Category	No. of Shares Held	% of Share holding
A	Promoter's holding		
1	Promoters - Indian Promoters - Foreign Promoters	25,68,360 Nil	47.63 Nil
2	Persons acting in concert		
	Sub-Total	25,68,360	47.63
B	Public Shareholding		
3	Institutions	Nil	Nil
4.	Non Institutions		
a	Private Corporate Bodies	1,40,028	2.60
b	Indian Public	26,64,452	49.41
c	NRIs/OCBs	19,360	0.36
d	Any other (Please Specify)	Nil	Nil
	Sub-Total	28,23,840	52.37
	GRAND TOTAL (A+B)	53,92,200	100.00

9.12 DISTRIBUTION OF SHAREHOLDING (AS ON 31ST MARCH, 2010)

Category (No. of shares	Number of holders	% of total holders	Number of shares	% of total shares
Upto 5000	5915	99.58	2494583	46.26
5001-10000	9	0.15	63027	1.17
10001-20000	10	0.18	145750	2.70
20001-30000	2	0.03	55400	1.03
30001-40000	2	0.03	65080	1.21
40001-50000	0	0.00	0	0.00
50001-100000	0	0.00	0	0.00
Above 100001	2	0.03	2568360	47.63
Total	5940	100.00	5392200	100.00

9.13. Dematerialization of Shares and Liquidity:

The Company's shares are available for trading in both National Securities Depository Ltd and Central Depository Services Ltd. The processing activities with respect to the requests received for dematerialization are generally completed within 21 days from the date of receipt of request.

9.14. Outstanding Bonds/ Convertible Instruments : NIL

9.15. Works Locations : At Registered Office.

9.16. Address for Correspondence:

"Sadana Building, 1st Floor.,
3-6-290/18,Hyderguda,
Hyderabad - 500 029
Phone: 66628211

10. Auditors' Certificate on Compliance with the Provisions of Corporate governance pursuant to Clause 49 of the Listing Agreement

To

The Members

NARBADA GEMS AND JEWELLERY LIMITED

Hyderabad.

We have examined the Compliance of conditions of Corporate Governance by Narbada Gems and Jewellery Limited, Hyderabad, for the period ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been in the manner described in the guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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, and based on our reliance upon the representations made by the management that there were no transactions of material nature with the management or by relatives that may have potential conflict with the interest of the Company at large.

We certify that the Company has complied in all material respects with the conditions of the Corporate Governance as stipulated in the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor's Grievance Committee.

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 Venugopal & Chenoy.,
Chartered Accountants**

**(P.V. SRI HARI)
Partner**

Membership No.21961

Place: Hyderabad

Date: 04.09.2010

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit herewith the Management discussion and analysis report on the business of the Company as applicable to the extent relevant.

Industry Structure:

Gems and jewellery form an integral part of Indian tradition; it is regarded as one of the largest markets in the world. The sector is one of the leading foreign exchange earners. The worldwide recession has impacted this sector badly, but currently the sector is all set for revival across the globe as the economies of U.S.A, Europe have shown some improvement and have encouraged upliftment of the sector.

After having undergone challenging times in FY -2008-09 , the Indian Gems and Jewellery industry rose like a phoenix and is today experiencing upward trend due to Gems and Jewellery Export Promotion Councils continuous efforts.

India apart from being the largest consumer of gold is also the largest diamond processor in the world. The Indian diamond cutting and polishing industry enjoys 60% value share, 85% volume share and 92% share of the world market in terms of number of pieces. In other words nearly 9 out of 10 diamonds sold worldwide are cut and polished in India. The Indian Gems and Jewellery market is predominantly focused on sourcing, processing, manufacturing and selling of precious metals and gemstones. Indian Gems and Jewellery account for more than 15% of Indian total export. Although, the market is highly dominated by the unorganized players, with increase in consumer income and economic prosperity, the future of organized retail in India is very bright.

Opportunities and Threats

With recession now paving way for growth, the Gems and Jewellery units are contemplating upscaling their production and distribution facilities and more organized players are entering the market. A healthy competition is brewing to take on the giant firms of Europe due to cheaper offerings from Indian manufacturers and traders. The Indian jewellery is finding support from Europe and Latin American countries. This coupled with slow rise in disposable income of Indian household and younger generation provides opportunities for the Company to increase its presence in the segment.

The ever rising prices of precious metals due to fall in US and UK currency values has made the production value go up and has posed a major risk in accumulating inventories. The swings in process are steep thereby Company is taking very cautious approach in building stocks in order to mitigate the risks. Besides, the use of latest technology in Jewellery manufacturing is yet to be syndicated thereby leaving the Company with option to continue with age old traditional designs and fashions which has fewer buyers as compared to high fashion, low cost jewellery.

Outlook

The Company had planned to launch few brands to position itself into various customer segments which could not take off due to pressing market conditions. However, since the world economies are on recovery path, the future looks optimistic and therefore the Company has tied up with a major jewellery manufacturing company for exclusive Distribution network in Andhra Pradesh. The Company has used the time to build up a strategy to give a boost to exports which were started last year and a customer base was made.

The Company has perceived the need for own manufacturing facilities and therefore is planning to create a strategic alliance for the purpose in near future for a precious stone jewellery. This will enable the Company to launch its own brands and penetrate the markets far and deep and this in turn would entail into building a Brand Value and visibility. The Promoters are committed to take the Company to cross Rs. 10 crores turnover in year ending March, 2011.

Risks and concerns

The Company faces a major competition from various domestic players in various areas like performance, price, reputation, warranty terms and other commercial terms and conditions. It faces stiff competition from traditional independent jewellery stores and retail stores too. Some of its competitors have well established brand names under their fold. They may have competitive advantage in terms of brand recognition, existing customer relationships and marketing reach. Although, the company has expanded its reach to wide number of customers but it still derive a significant portion of its current business revenues from few customers and its business is dependent on a continuing relationship with its customers.

The major risk is that, if the Company is unable to penetrate their dominance or effectively compete with them then it may have an adverse effect on its financial conditions and its results of operations. The rising prices of precious metals are shrinking the volume of trade even though the value may show increase. This will continue till the large economies of the world reach to double digit growth rates.

Internal control systems and their adequacy

The internal control systems are aimed at promoting operational efficiencies. The Company is conducting internal audit with its own staff, at regular intervals to ensure that:

- a) Transactions are executed in accordance with the Company's policies and authorizations.
- b) Deployment of funds are in accordance with the Company's policies and Budgets.

The Audit committee with three independent and non-executive directors meets regularly to investigate any matter relating to the internal control system and reviews the Internal Audit. The committee reviews the quarterly and half yearly financials before they are submitted to the Board of Directors.

The Company has put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorized use or disposition. Also an exhaustive Budgetary Control system is in place to monitor capital related as well as other costs against Budgets on an ongoing basis.

Financial Condition :

Share Capital

During the year under review Company has not allotted any Equity Shares out of unissued capital.

Secured Loans

The Company has not borrowed any Secured loans as at 31st March, 2010

Fixed Assets

Fixed Assets (Net Block) is NIL during the financial year as Company is yet to acquire the same due to paucity of financial resources. Plans are being drawn to acquire existing manufacturing facility during the current year.

Human Resources

The Company strongly believes that a right workforce makes all the difference in catapulting an organization to the highest echelons of success and achievement. Our workforce, thus, is a blend of cohesive and effective knowledge workers, one that is flexible. Working together, we intend to develop and hone a workforce strategy that will be integral to the business strategy of our customers.

CAUTIONARY STATEMENT:

Statement made in Management Discussion and Analysis report which seeks to describe the Objectives, projections, estimates, predictions may be considered to be forward looking statements and are stated as required by applicable laws and regulations. Actual results could differ from those expressed or implied and are determined by many factors including global and domestic demand – supply conditions, process, raw materials availability, tax laws, governmental policies and other statutes which may affect actual results which may be different from what the Directors envisaged in terms of future performance and outlook.

AUDITORS' REPORT

To
The Members,
Narbada Gems and Jewellery Ltd.,
Hyderabad.

We have audited the attached Balance Sheet of **Narbada Gems and Jewellery Ltd.** Hyderabad, as at March 31, 2010, and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on date. 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.

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 statements 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 the Annexure hereto a statement on the matters specified in paragraphs 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 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 account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section(3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on March 31, 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 and subject to the Significant Accounting Policies and Notes to Accounts 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 March 31, 2010;
- (ii) In so far as it relates to the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
- (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For VENUGOPAL & CHENOY,
Firm Registration No. 004671S

CHARTERED ACCOUNTANTS,

(P.V.SRI HARI)

Partner

Membership No.21961

Place : Hyderabad

Date : 04.09.2010

Annexure to Auditors' Report

(Referred to in Paragraph 2 of our report of even date)

1. The Company does not have any fixed assets during the year.
2. In respect of its inventories:
 - a. The inventories have been physically verified by the management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of the said stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company did not take nor granted any loans, secured or unsecured, from or to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, during the year. However, it had taken temporary interest-free unsecured loans from directors. These are not prejudicial to the interests of the Company.
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 for the purchase of inventory, fixed assets and also for the sale of goods.
5. In our opinion and according to the information and explanations given to us, the Company entered into the register the transactions in pursuance of Section 301 of the Companies Act, 1956, aggregating during the year to more than Rs.5,00,000/- (Rupees Five lakhs only) in respect of one party. These transactions have been made at the prevailing market price at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company is yet to introduce the system of Internal Audit.
8. The Central Government did not prescribe maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 (Act I of 1956) for any of the products of the Company.
9. During the year, there is no person to whom the provisions of P.F. or E.S.I. are applicable. According to information and explanations given to us, there are no other undisputed statutory payments outstanding for more than six months from the date they became payable.
10. As per the accounts referred to in this Report, the net-worth of the Company has been eroded beyond 50% as on March 31, 2010. The Company did not incur cash losses during the financial year under report and also in the preceding financial year.
11. The Company does not have any outstandings to a financial institution or bank during the year.
12. In our opinion and according to the information and explanations 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(Auditors' Report) Order, 2003, is not applicable to the Company.
14. The Company has not dealt in or traded in shares, securities, debentures and other investments.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year.
17. The Company during the year did not raise any short term loans and hence the question of their usage does not arise.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any 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 explanations 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 VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,
Firm Registration No. 004671S

Place : Hyderabad
Date : 04.09.2010

(P.V.SRI HARI)
Partner
Membership No.21961

BALANCE SHEET AS AT 31 MARCH, 2010

SCHEDULE	31.03.2010 Rs.	31.03.2009 Rs.
I SOURCES OF FUNDS:		
1. <u>Shareholders' Funds:</u>		
Share Capital 'A'	54,189,700	54,189,700
2. <u>Loan Funds:</u>		
Unsecured Loans - Directors	360,076	360,076
	<u>54,549,776</u>	<u>54,549,776</u>
II APPLICATION OF FUNDS		
1. <u>Current Assets, Loans & Advances:</u> 'B'		
Stock-in-Hand	1,295,000	-
VAT receivable	317	-
Sundry Debtors	-	4,087,526
Cash & Bank Balances	9,682,045	5,984,073
Loans & Advances	90,606	20,800
	<u>11,067,968</u>	<u>10,092,399</u>
Less: Current Liabilities & Provisions 'C'	194,300	359,392
Net Current Assets	<u>10,873,668</u>	<u>9,733,007</u>
2. Profit & Loss Account	43,676,108	44,816,769
3. Notes to Accounts 'G'	<u>54,549,776</u>	<u>54,549,776</u>

OUR REPORT ATTACHED,
For VENUGOPAL & CHENY,
Chartered Accountants

For & on behalf of the Board of Directors of
NARBADA GEMS AND JEWELLERY LTD.,

Place : Hyderabad
Date : 04.09.2010

Sd/-
(P.V.SRI HARI)
PARTNER

Sd/-
Sanjay Kumar Sanghi
MANAGING DIRECTOR

Sd/-
Ritesh Kumar Sanghi
DIRECTOR

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

	SCHEDULE	31.03.2010 Rs.	31.03.2009 Rs.
INCOME:			
Sales	'D'	21,753,620	22,227,206
Other Income	'E'	1,343,658	-
Income related to Prior Period		111,567	
Closing Stock		1,295,000	-
		<u>24,503,845</u>	<u>22,227,206</u>
EXPENDITURE:			
Opening Stock		-	6,444,143
Purchases		20,312,829	13,523,658
Selling, Administration & Other Expenses 'F'		3,050,355	1,243,276
		<u>23,363,184</u>	<u>21,211,077</u>
Profit/(-) Loss for the year		1,140,661	1,016,129
Less: Provision for Income Tax:		-	-
FBT		-	2,518
		<u>1,140,661</u>	<u>1,013,611</u>
Add/(Deduct): Profit/(-) Loss brought forward from previous year		(44,816,769)	(45,830,380)
Balance carried to Balance Sheet		<u>(43,676,108)</u>	<u>(44,816,769)</u>

OUR REPORT ATTACHED,
For VENUGOPAL & CHENOY,
Chartered Accountants

For & on behalf of the Board of Directors of
NARBADA GEMS AND JEWELLERY LTD.,
for NARBADA GEMS AND JEWELLERY LTD

Place : Hyderabad
Date : 04.09.2010

Sd/-
(P.V.SRI HARI)
PARTNER


Sd/-
Managing Director

Sanjay Kumar Sanghi
MANAGING DIRECTOR

Sd/-
Ritesh Kumar Sanghi
DIRECTOR

SCHEDULE 'A'	31.03.2010 Rs.	31.03.2009 Rs.
SHARE CAPITAL:		
<u>Authorised:</u>		
65,00,000 Equity Shares of Rs.10/- each (31.03.2009 - 65,00,000 Equity Shares of Rs.10/- each)	65,000,000	65,000,000
<u>Issued, Subscribed & Paid-Up:</u>		
53,92,200 Equity Shares of Rs.10/- each, fully paid (31.03.2009 - 53,92,200 Equity Shares of Rs.10/- each, fully paid)	53,922,000	53,922,000
Add: Shares Forfeited Account	<u>267,700</u>	<u>267,700</u>
	<u>54,189,700</u>	<u>54,189,700</u>
		Rs.
SCHEDULE 'B'		
CURRENT ASSETS, LOANS & ADVANCES:		
(A) CURRENT ASSETS:		
Closing Stock	1,295,000	-
Sundry Debtors: (Unsecured, Considered Good)		
- - outstanding for more than six months	-	4,087,526
- others		
Cash & Bank Balances:		
Cash on hand	318,484	379,195
Bank balances: With Scheduled Banks:		
- In Current Accounts	9,363,561	5,604,878
(B) LOANS & ADVANCES:		
(Unsecured, Considered Good recoverable in Cash or in kind or for value to be received)		
Advance Income Tax & TDS	24,920	-
Deposits	20,800	20,800
Advances to Staff	<u>44,886</u>	
	<u>11,067,651</u>	<u>10,092,399</u>

SCHEDULE 'C'	31.03.2010 Rs.	31.03.2009 Rs.
CURRENT LIABILITIES & PROVISIONS:		
(A) CURRENT LIABILITIES:		
Sundry Creditors - For Expenses	-	123,658
Other Liabilities	194,300	235,734
(B) PROVISIONS:		
Provision for Income Tax	-	-
	<u>194,300</u>	<u>359,392</u>
<hr/>		
SCHEDULE 'D'	31.03.2010	31.03.2009
SALES:		
Domestic Sales - Gross	21,753,620	22,227,206
	<u>21,753,620</u>	<u>22,227,206</u>
<hr/>		
SCHEDULE 'E'	31.03.2010	31.03.2009
OTHER INCOMES		
Designed receipts	1,220,000	-
Excess provision of earlier year written back	123,658	-
	<u>1,343,658</u>	<u>-</u>

SCHEDULE 'F'	31.03.2010	31.03.2009
	Rs.	Rs.
<u>SELLING ADMINISTRATION & OTHER EXPENSES:</u>		
Salaries	1,808,597	765,206
Advertisement	30,743	27,784
Consultancy Charges	442,905	142,236
General Expenses	14,288	14,735
Postage & Telegrams	27,555	27,335
Printing & Stationery	37,297	37,720
Fees, Rates & Taxes	546,010	91,711
VAT/Sales Tax	-	86,174
Bank charges	2,223	375
Electricity Charges	80,737	-
<u>Auditors Remuneration:</u>		
Audit Fees	35,000	35,000
Tax Audit Fees	15,000	15,000
Taxation Matters	10,000	-
	3,050,355	1,243,276

Schedule 'G'

Notes to Accounts and Significant Accounting Policies:

(A) Significant Accounting Policies:

1. **Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction, less depreciation.

2. **Depreciation:**

Depreciation is charged on Written Down Value Method as per rates prescribed in Schedule-XIV of the Companies Act, 1956.

3. **Investments:**

Investments are stated at cost.

4. **Sales:**

Sales is exclusive of the sales tax collection and is net of return.

5. **Inventories:**

Inventories are valued at lower of cost or net realisable value.

6. Account for Claims:

Claims receivable are accounted on acceptance/receipt.

7. Prior Period Adjustments:

Income and Expenditure relating to prior period upto Rs.5,000/- in each case is accounted under natural heads of account.

(B) Notes to Accounts:

1. The Company changed its name from Starchik Specialities Ltd to Narbada Gems and Jewellery Ltd with effect from 11.03.08 as per the fresh certificate of Incorporation issued by the Registrar of Companies, Andhra Pradesh, Hyderabad.

2. No provision is made towards Income Tax in view of Unabsorbed Depreciation and carried forward losses

3. Transactions during the year with related parties:

<u>Nature of Transaction</u>	<u>Associate(Rs.)</u>
(a) Purchases	2,03,12,829
(b) Design Receipts	12,20,000
(b) Sundry Creditors	Nil

4. Quantitative Particulars:

<u>Particulars</u>	<u>Opening Stock</u>	<u>Purchases Stock</u>	<u>Sales</u>	<u>Closing Stock</u>
Gold Ornaments	Nil	62593.63 gms.	61803.68 gms.	789.95 gms

5. Previous year's figures are regrouped wherever necessary.

As per our report attached
for Venugopal & Chenoy
Chartered Accountants

For & on behalf of the Board of Directors of
FOR NARBADA GEMS AND JEWELLERY LTD.,

For NARBADA GEMS AND JEWELLERY LTD


Managing Director
(SANJAY KUMAR SANGHI)
MANAGING DIRECTOR

(RITESH KUMAR SANGI)
DIRECTOR

PLACE:HYDERABAD
DATE:04/09/2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

(Pursuant to amendment to clause 32 of listing agreement)

	2009-10		2008-2009	
A) Cash Flow from Operation Activities :				
Net Profit before taxation and extraordinary items	11.4		10.13	
Adjustments for				
Depreciation & Exp. Written off	-		-	
Foreign Exchange	-		-	
Loss on sale of Fixed Asset	-		-	
Finance Charges	-		-	
Excess provision written back	-1.24			
Operating Profit before working Capital changes	10.16		10.13	
Adjustments for				
Trade and Other Receivables	40.88		-2.39	
Inventories	-12.95		64.44	
VAT Receivable	0.000		0.78	
Loans & Advances	-0.70		1.49	
Trade Payables & Other liabilities	-0.41		-17.06	
Provision for Income Tax	-		-	
Cash Used for Operations	26.82		47.26	
Interest Paid	-		-	
Cash flow before extraordinary items	36.98		57.39	
Extraordinary item	-		-	
Net Cash Used for operating activities		36.98		57.39
B) Cash Flows from Investing Activities				
Purchase of Fixed Assets	-		-	
Deferred Revenue Expenditure	-		-	
Sale of Fixed Assets	-		-	
Acquisition of companies	-		-	

	2009-10		2008-09	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Interest Received	-		-	
Dividend received	-		-	
Net Cash used in Investing Activities		0.00		0
C) Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	-		-	
Proceeds from Finance Borrowings	-		-	
Proceeds from Lease Finance Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Dividend Paid	-		-	
Net Cash Used in Financing Activities		0.00		0
Net Increase in cash and cash equivalents		36.98		57.39
Cash and Cash equivalents as at 31.03.2009 (Opening Balance)		59.84		2.45
Cash and Cash equivalents as at 31.03.2010 (Closing Balance)		96.82		59.84

Place : Hyderabad
Date : 04.09.2010

Sd/-
SANJAY KUMAR SANGHI
Managing Director

Sd/-
RITESH KUMAR SANGHI
Director

AUDITOR'S CERTIFICATE

We have verified the enclosed Cash flow statement for the year ended 31 st March 2010 with the books and records maintained by NARBADA GEMS AND JEWELLERY LTD, and certify that in our opinion, and according to the information and explanations given to us the statement is in accordance there with.

For Venugopal & Chenoy
Chartered Accountants

Place : Hyderabad
Date : 04.09.2010

Sd/-
P.V. SRIHARI
Partner, M.No. 21961

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	14173	State Code:	01
Balance Sheet	31-03-2010		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue	Nil	Preferential Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities	54550	Total Assets	54550
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SOURCES OF FUNDS

Paid-up Capital	54190	Reserves & Surplus	Nil
Secured Loans	Nil	Unsecured Loans	360

APPLICATION OF FUNDS

Net Fixed Assets	Nil	Investments	Nil
Net Current Assets	10873	Misc. Expenditure	Nil
Accumulated Losses	43676		

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover	21754	Total Expenditure	23363
Profit/(Loss) before tax	1141	Profit/ (Loss) after tax	1141
Earning Per Share (Rs.)	Nil	Dividend Rate %	Nil

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Product description: Gems & Jewellery

**NARBADA GEMS AND JEWELLERY LIMITED
EIGHTEENTH ANNUAL GENERAL MEETING**

Registered Office: Sadana Building, 1st Floor, 3-6-290/18, Hyderguda, Hyderabad - 500 029

PROXY FORM

I/We _____ of _____ being Member/
Narbada Gems and Jewellery Limited, hereby appoint Mr./ Ms. _____ of
_____ or failing him/ her, Mr./ Ms. _____ of
_____ as my/our proxy to attend and vote for me/us on my/our behalf at the
Eighteenth Annual General Meeting of the Company to be held on Wednesday, 29th September, 2010 at
3.30 PM. at Rajasthani Graduates Association, Abids, Hyderabad-1 and at any adjournment thereof.

Folio # / Client id:

As witness my/our hand (s) this _____ day of _____ of 2010.

Signed by the said _____

Affix Re. 1.00
Revenue Stamp



Note: The Proxy form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member.



**NARBADA GEMS AND JEWELLERY LIMITED
EIGHTEENTH ANNUAL GENERAL MEETING**

Registered Office: Sadana Building, 1st Floor
Hyderguda, Hyderabad-500029

ATTENDANCE SLIP

I hereby record my presence at the Eighteenth Annual General Meeting of the Company on:

Date	Venue	Time : 3.30 P.m.
29-09-2010	Rajasthani Graduates Association "Snatak Bhavan, 5-4-790/1, Aashirwad Complex, 1st Floor, Lane Opp. Pulla Reddy Sweet House, Abids, Hyderabad - 1.	

Name of the Shareholder/ Proxy	Folio No.	No. of shares

Member's/Proxy signature

Note: Shareholder/Proxy holder wishing to attend the meeting must bring the Admission Slip and hand over at the entrance duly signed.


Managing Director