



NEOGEM INDIA LIMITED

Always Innovative

ANNUAL REPORT 2010 - 2011



BOARD OF DIRECTORS

Mr. Gaurav Doshi	-	<i>Chairman & Managing Director</i>
Mr. Ronak Doshi	-	<i>Vice Chairman & Whole Time Director</i>
Mr. Vikas Patel	-	<i>Non-Executive Independent Director</i>
Mr. Jayant Nagarkar	-	<i>Non-Executive Independent Director</i>

Shri. Mahindra Doshi - *Executive President*

AUDITORS

M/s. Ashok Bairagra & Associates

Chartered Accountants
Mumbai

BANKERS

Punjab National Bank
Oriental Bank of Commerce

REGISTERED OFFICE

G/32, Gems and Jewellery Complex III,
Seepz (SEZ), Andheri (East),
Mumbai - 400 096.
Tel. : 3088 2640 / 41
Fax : 2829 1123

REGISTRAR & TRANSFER AGENT

M/s. System Support Services

209, Shivai Industrial Estate,
Next to Parke-Davis, Sakinaka,
89, Kurla-Andheri Road,
Andheri (East),
Mumbai - 400 072.
Tel. : 2850 0835
Fax : 2850 1438

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Neogem India Limited

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of **Neogem India Limited** will be held on Friday, 30th September 2011 at 1:30 p.m. at Hotel Tunga Paradise, M.I.D.C. Central Road, Andheri (East), Mumbai - 400093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended on that date and Schedules together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jayant Nagarkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Ashok Bairagra & Associates, Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Date: 31st August, 2011
Place: Mumbai

Gaurav Doshi
Chairman & Managing Director

Registered Office:

G-32, Gems & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai - 400096

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Nos. in the attendance slip while attending the meeting for easy identification of attendance at the meeting.
3. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 23rd September 2011 to Friday, 30th September 2011 (both days inclusive).
4. Members are requested to:-
 - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2011, so as to enable the Company to keep the information ready.
 - ii. Bring their copy of the Annual Report and the Attendance slip at the Annual General Meeting.
 - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
 - iv. Quote Registered Folio no. or DP ID/ Client ID no. in all their correspondence.

Neogem India Limited



- v. Approach the R&TA of the Company for consolidation of folios.
 - vi. Avail of Nomination facility by filling in and forwarding the nomination form to the R&TA, if not already done.
 - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, M/s. System Support Services, located at 209, Shivai Industrial Estate, Sakinaka, 89, Andheri-Kurla Road, Andheri (East), Mumbai – 400072 upto the date of book closure.
5. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
 6. The Company has listed its shares on the Bombay Stock Exchange Limited. All listing fees till date have been paid.
 7. Non-Resident Indian members are requested to inform the Company/ R&TA the following, immediately:
 - i. Change in the residential status on return to India for permanent settlement.
 - ii. The particulars of NRE Bank Account maintained in India with complete name and address of the bank, if not furnished earlier.
 8. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
 9. The Ministry of Corporate Affairs ('MCA') has taken a "**Green Initiative in Corporate Governance**" by allowing paperless compliances by companies by issue of Circulars No.17/2011 dated 21-04-2011 and No.18/2011 dated 29-04-2011, stating that the service of documents by a company can be made through electronic mode which shall also be in compliance with the provisions of Section 53 of the Companies Act, 1956.

In furtherance of the above mentioned initiative of the MCA, the company shall send the Annual Report containing documents like the Notice convening the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc., for the financial year ended 31st March, 2011 & onwards and other documents/ communications which may henceforth be issued by the company, in electronic form, to the e-mail addresses of those members which are available in the records of the company and/or made available to us by the Depositories.

In case you desire to receive the documents mentioned above in physical form or register or change your e-mail address, you are requested to send an e-mail to investors@neogemindia.com

10. Mr. Jayant Nagarkar, Non-Executive Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. A brief profile of Mr. Jayant Nagarkar, pursuant to Clause 49(IV)(g) of the Listing Agreement relating to Corporate Governance is as under:

Name: Mr. Jayant Nagarkar

Date of Birth: 02/08/1946

Date of appointment on Board: 25/11/2004

Qualification/ Expertise: Mr. Nagarkar has retired from the Indian Revenue Services. He has extensive experience in the administration of Customs and Central Excise matters relating to manufacturing and other organizations.

No. of equity shares held: Nil

Name of Companies in which he holds Directorship: Nil

Membership & Chairmanships of Committees of Board of other Companies: Nil

Relationship between Directors Inter-se: No relation with other Directors



DIRECTORS' REPORT

To,

**The Members,
Neogem India Limited**

The Directors are pleased to present the Twentieth Annual Report of the Company together with the Audited Statement of Accounts for the year ended **31st March, 2011**.

1. FINANCIAL RESULTS:

The financial performance of the Company for the year ended 31st March, 2011 is summarized below:

(Rs. in Lacs)

PARTICULARS	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Sales Income	8200.45	2,390.40
Other Income	158.51	39.54
Profit before Depreciation and Tax	155.16	106.35
Less: Depreciation	(14.33)	(15.47)
Profit for the year	140.83	90.88
Less: Provision for Taxation	(2.44)	(22.60)
Profit after Tax	143.27	113.48
Prior Period Adjustments	-	(2.34)
Balance brought forward from P.Y.	181.10	65.67
Balance carried to Balance Sheet	324.38	181.10

2. REVIEW OF OPERATIONS:

The operations of the Company have shown considerable improvement as compared to the previous year. The Company has achieved a turnover of Rs.82,00,44,691/- in the current year as compared to Rs.23,90,40,160/- during the previous year reflecting a growth of 243%. Initiatives to improve operational efficiencies led to reduced costs and improvements in product and service quality. The profits of the Company have also shown a remarkable increase with the Company earning a Profit of Rs.1,40,83,241/- before tax as compared to a Profit of Rs.90,87,673/- before tax for the previous year registering an increase of 54.97%.

The Company's performance in this financial year has been impressive and your Directors are hopeful to take the same forward with its constant endeavor to deliver better performance.

3. DIVIDEND:

In view to conserve resources, your Directors do not recommend any dividend for the financial year ended 31st March, 2011.

4. ISSUE OF WARRANTS:

The Company in the Annual General Meeting held on 30th September 2010 obtained approval of members for the issue of 15,60,000 warrants on preferential basis to promoters. The Company is awaiting the in-principle approval from Bombay Stock Exchange for allotment of the same to the promoters. The funds raised through the preferential issue shall be utilized towards working capital requirements.

5. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956, read with the Articles of Association of the Company, Mr. Jayant Nagarkar retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.



Brief resume of the Director proposed to be reappointed, nature of his expertise in specific functional areas, names of the Companies in which he holds directorships and membership / chairmanship of Committees of the Board, his shareholding in the Company and inter-se relationship with Directors, as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges, are set out in the Notice forming part of the Annual Report.

6. CORPORATE GOVERNANCE:

The Company is committed to uphold the highest standards of Corporate Governance and adhere to the requirements set out by the S.E.B.I. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms a part of this Annual Report as **Annexure 1**.

The Chairman & Managing Director's declaration regarding compliance with the Code of Conduct and the Auditor's certificate on compliance with Corporate Governance requirements are also attached to the Corporate Governance Report as **Annexure 2 and 3**, respectively.

7. AUDITORS REPORT:

With respect to the remark of the Auditors with reference to leave encashment which is provided on the basis of actual calculation rather than actuarial valuation as per AS 15, your Directors have to state that since the Company provides leave encashment benefits to employees on actual basis, there is no outstanding amount and hence no provision has been made for the same.

8. AUDITORS:

The present Statutory Auditors of the Company, M/s. Ashok Bairagra & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter as required under section 224(1B) of the Companies Act, 1956 from M/s. Ashok Bairagra & Associates, Chartered Accountants, confirming their eligibility and willingness to act as Statutory Auditors, if re-appointed. The members are requested to appoint the Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

9. INSURANCE:

All the assets of the Company, wherever necessary and to the extent required, have been insured.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance with the requirements of section 217(2AA) of the Companies Act 1956, your Directors confirm that:

- a) The Company has followed the applicable accounting standards in the preparation of the Annual Accounts and there has been no material departure.
- b) The Directors had selected the 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 end of the financial year and of the profit of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for 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.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

11. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year under review as stipulated under Clause 49 of the Listing Agreement entered with the Stock Exchange is enclosed as a part of this Annual Report as **Annexure 4**.

12. PERSONNEL:

The Ministry of Corporate Affairs has notified Companies (Particulars of Employees) Amendment Rules, 2011 vide GSR 289 (E) dated 31.03.2011 raising the limit of employee's salary to be disclosed in the Directors Report. The



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employee's salary limit has been raised from Rupees Twenty-four Lakhs per financial year or Rupees Two Lakhs per month to Rupees Sixty Lakhs per financial year or Rupees Five Lakhs per month.

As on date, none of the employees of the Company fall within the purview of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011.

13. FIXED DEPOSITS:

The Company has not accepted any deposit within the purview of section 58A of the Companies Act, 1956 during the year under review.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & INNOVATIONS AND FOREIGN EXCHANGE:

The information as required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings is given below:

A. Conservation of Energy:

As the Company is not covered in the list of industries required to furnish information in Form A relating to Conservation of Energy, the same is not required to be given. Though our operations are not energy-intensive, efforts have been made to conserve energy by utilizing energy-efficient equipments.

Your Company firmly believes that our planet is in dire need of energy resources and conservation is the best policy.

B. Technology Absorption, Adaptation and Innovation:

The Company did not have any technical collaboration agreement in force during the year under review and therefore disclosure under Form B is not applicable.

C. Foreign Exchange Earnings and Outgo:

1. The Company is engaged in activities relating to exports and taking measures for increasing exports, developing new export markets for production and formulating export plans.
2. Total foreign exchange used and earned:

(Rs. in Lacs)

Particulars	2010-11	2009-10
Foreign exchange earned on F.O.B. basis	8,062.26	2,273.84
Foreign exchange used	7,851.25	1,903.12

15. ACKNOWLEDGEMENTS:

The Board of Directors express their deep gratitude for the co-operation and support extended to the Company by its customers, suppliers, bankers and various government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and look forward to their continuous co-operation.

By Order of the Board of Directors

Date: 31st August, 2011

Place: Mumbai

Registered Office:

G-32, Gems & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai - 400096

Gaurav Doshi
Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

A) MANDATORY REQUIREMENTS:

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharging of social responsibility.

Your Company has adopted an appropriate Corporate Governance framework to ensure timely and accurate disclosure of all material matters, including financial position, performance, ownership and governance.

2) BOARD OF DIRECTORS

Composition of the Board:

The strength of the Board of Directors is four out of which two are Independent Directors. The Board comprises of Executive Chairman, one Executive Whole-time Director and two Non-Executive Independent Directors.

Number of meetings held:

During the year 2010-11, seven (7) meetings of the Board of Directors were held on 14.04.2010, 15.05.2010, 30.06.2010, 31.07.2010, 02.09.2010, 12.11.2010 and 11.02.2011.

The meetings of the Board of Directors were held at the Registered Office of the Company in Mumbai. The Meetings are scheduled well in advance and the Agenda and notes on Agenda are circulated to the Directors in advance, in the defined format. The Board has access to all information pertaining to the Company and is free to recommend inclusion of any matter in the agenda for discussion.

None of the Directors is a Member of more than ten Board Committees or a Chairman of more than five such Committees as required under clause 49 of the Listing Agreement. The same is also evidenced from the table given below.

The composition of the Board, attendance at Board Meetings held during the year and the last Annual General Meeting, number of Directorships in other Companies and Memberships in committees across various Companies of which the Director is a Member/ Chairman are given below:

Name of the Director	Category	F.Y. 2010-11 Attendance at		As on the date of this report		
		BM	Last AGM	No. of other Directorships#	Other Committee Positions # Member	Chairman
Mr. Gaurav Doshi	Executive Chairman and Managing Director	7	Yes	1	1	1
Mr. Ronak Doshi	Executive Vice-Chairman and Whole-time Director	7	Yes	Nil	Nil	Nil
Mr. Jayant Nagarkar	Independent and Non-Executive Director	7	No	Nil	Nil	Nil
Mr. Vikas Patel	Independent and Non-Executive Director	7	Yes	Nil	Nil	Nil

For the purpose of considering the number of directorships and committee positions, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, have been excluded and the committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee have been excluded.

None of the above-referred Independent Directors have any material pecuniary relationship or transaction with the Company, its Promoters or with its Management, which would affect the independence or judgment of the Directors.

The Company has also not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management etc. that may have potential conflict with the interest of the Company at large.



Re-appointment of Directors:

Mr. Jayant Nagarkar, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. His detailed profile forms part of the Notice in this Annual Report.

Responsibilities:

At the Board Meetings of the Company, the Directors are being provided information stipulated in Clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration, which includes reviewing performance. The Company has designated the required information system for the purpose.

Role of Independent Directors:

The Independent Directors play an important role in deliberations in the Board Meetings and bring to the Company, their wider experience in the fields of Marketing, Finance, Management, etc.

3) AUDIT COMMITTEE

The Audit Committee of the Company, inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company.

It is constituted in line with the provisions of clause 49 of the Listing Agreement with the Stock Exchange read with Section 292A of the Companies Act, 1956. The Audit Committee comprises of three Directors, out of which two are Non-Executive Independent Directors. Mr. Vikas Patel, Non-Executive Independent Director acts as the Chairman of the Committee, whereas Mr. Jayant Nagarkar, Non-Executive Independent Director and Mr. Gaurav Doshi, Managing Director are the members of the Committee. Mr. Gopal Dhruv, Accounts Manager acts as the Secretary of the committee. The members of the Audit Committee possess the necessary financial/ accounting expertise.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

Composition, Number of Meetings and Attendance:

During the financial year 2010-11 under review, five (5) Audit Committee Meetings were held on 15.5.2010, 30.06.2010, 31.7.2010, 12.11.2010 and 11.2.2011.

The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Committee Members	Category	Meetings held during the year	Meetings attended
Mr. Vikas Patel	Independent & Chairman	5	5
Mr. Jayant Nagarkar	Independent Director	5	5
Mr. Gaurav Doshi	Executive Director	5	5

The terms of reference/ powers of the Audit Committee have been specified by the Board of Directors as under:

Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information
- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of Statutory Auditors and fixation of audit fees
- Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval
- Reviewing the compliance with Listing Agreement and various other legal requirements concerning financial statements and related party transactions
- Reviewing, with the management, performance of Statutory and Internal Auditors & adequacy of internal control systems
- Reviewing the adequacy of the Internal Audit function and observations of the Internal Auditor
- Discussion with Internal Auditors of any significant findings and follow up thereon
- Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders and creditors
- Reviewing the risk management mechanisms of the Company



4) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee of the Board looks into the redressal of investors' complaints like non-receipt of Annual Report, transfer of shares, dividend payments, etc. and is vested with the requisite powers and authorities to specifically look into redressal of Shareholders' / Investors' grievances.

Composition, Number of Meetings and Attendance:

During the financial year 2010-11 under review, four (4) Shareholders' / Investors' Grievance Committee Meetings were held on 15.5.2010, 31.7.2010, 12.11.2010 and 11.2.2011.

The composition of the Shareholders' / Investors' Grievance Committee and attendance at its meetings is given hereunder:

Name of Committee Members	Category	Meetings held during the year	Meetings attended
Mr. Vikas Patel	Independent & Chairman	4	4
Mr. Jayant Nagarkar	Independent Director	4	4

The Company did not receive any complaints during the year 2010-11 and thus, no complaints were pending as on 31/03/2011.

5) SHARE TRANSFER COMMITTEE

The Board has delegated the powers of approving the transfer/ transmission of shares to the Share Transfer Committee. The Committee is vested with the requisite powers & authority to specifically look into share transfer, transmission, rematerialization and dematerialization of shares.

Composition, Number of Meetings and Attendance:

During the financial year 2010-11 under review, four (4) Share Transfer Committee Meetings were held on 15.5.2010, 31.7.2010, 12.11.2010 and 11.2.2011.

The composition of the Share Transfer Committee and attendance at its meetings is given hereunder:

Name of Committee Members	Category	Meetings held during the year	Meetings attended
Mr. Vikas Patel	Independent & Chairman	4	4
Mr. Jayant Nagarkar	Independent Director	4	4

6) REMUNERATION COMMITTEE

Composition, Number of Meetings and Attendance:

During the financial year 2010-11 under review, no Remuneration Committee Meeting was held. The composition of the Remuneration Committee is given hereunder:

Name of Committee Members	Category
Mr. Vikas Patel	Independent & Chairman
Mr. Jayant Nagarkar	Independent Director

Details of remuneration paid to the Directors during the financial year 2010-11 is given below:

Name of the Directors	Directors' Position	Relationship with other Directors	Salary & allowances (Rs.)	Contribution to P.F. (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)
Mr. Gaurav Doshi	Executive Chairman & Managing Director	Related to Mr. Ronak Doshi	6,34,300	36,000	25,700	Nil
Mr. Ronak Doshi	Vice-Chairman & Whole-time Director	Related to Mr. Gaurav Doshi	6,29,000	36,000	31,000	Nil
Mr. Jayant Nagarkar	Independent and Non-Executive Director	—	Nil	Nil	Nil	Nil
Mr. Vikas Patel	Independent and Non-Executive Director	—	Nil	Nil	Nil	Nil

Non-executive/ Independent Directors do not hold any shares in the Company.



7) GENERAL BODY MEETINGS

Details of the Annual General Meetings of the Company held in the last 3 years:

Financial Year	Date	Time	Venue	No. of Special Resolutions approved at the AGM
2007-08	30th September 2008	1:30 p.m.	Hotel Tunga Paradise M.I.D.C., Andheri (E), Mumbai - 400 093	2
2008-09	30th September 2009	1:00 p.m.	Hotel Tunga Paradise M.I.D.C., Andheri (E), Mumbai - 400 093	Nil
2009-10	30th September 2010	1:30 p.m.	Hotel Tunga Paradise M.I.D.C., Andheri (E), Mumbai - 400 093	1

Special Resolutions passed during the last 3 annual general meetings:

Annual General Meeting held on 30th September 2008:

- 1) To appoint, pursuant to provisions of section 314(1B), Mr. Mahindra Doshi as the Executive President of the Company for a period of five years.
- 2) To create, offer and allot, on preferential basis 15,65,000 Equity Share Warrants to promoters and independent investor.

Annual General Meeting held on 30th September 2010:

- 1) To create, offer and allot, on preferential basis 15,60,000 Equity Share Warrants to promoters.
During the year ended 31st March 2011, no resolution was passed by the Company's members through postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.
During the financial year 2010-11, the Company was not required to hold any Extra-Ordinary General Meeting.

8) DISCLOSURES

Disclosure by the Management to the Board on materially significant related party transactions that may have potential conflict with the interest of the Company at large:

No transaction of material nature has been entered into by the Company with its promoters, Directors or the Management or relatives, etc. that may have potential conflict with the interest of the Company at large. A suitable disclosure as required by Accounting Standard (AS-18)–Related Party Transactions, has been made in the Notes forming part of the Accounts. The same are also entered in the Register maintained under Section 301 of the Companies Act, 1956.

The Company has complied with the statutory requirements comprised in the Listing Agreements/Regulations/Guidelines/Rules of the Stock Exchanges/SEBI/other Statutory Authorities.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There were no instances of penalties, strictures imposed on the Company by stock exchanges, SEBI or any statutory authority, on any matter related to the capital markets during the last 3 years.

Whistle blower policy and affirmation that no personnel have been denied access to the Audit Committee:

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of clause 49:

The Company has duly complied with the mandatory requirements of clause 49 and as required by clause 49 of the Listing Agreement, the Auditors Certificate on Corporate Governance is given as Annexure 3.

Accounting treatment in preparation of financial statements:

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in the preparation of its financial statements except AS 15.

The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures.



9) MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the shares of the Company are listed, immediately after the Board has taken them on record. The same are generally published in the Business Standard (English) and Navakal (Marathi) newspapers. The Company is also providing information relating to material events from time to time, to the investors and to the public at large, by faxing the information to the Stock Exchanges.

10) GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting:

Day : Friday

Date : 30th September 2011

Time : 1:30 p.m.

Venue : Hotel Tunga Paradise, M.I.D.C., Andheri (E), Mumbai - 400093

Financial Year: 1st April 2010 to 31st March 2011

Date of Book Closure: from Friday, 23rd September 2011 to Friday, 30th September 2011 (both days inclusive)

Listing of Securities and Stock Code:

Bombay Stock Exchange Limited Code No: 526195

The Company has paid listing fees for the financial year 2010-11 to the above exchange.

Demat ISIN Number for NSDL:

ISIN number issued to equity shares by NSDL is INE552E01014.

The Company has not issued any GDRs or ADRs.

Dividend Payment Date: Not Applicable

Share Transfer System:

The Board of Directors have constituted a Share Transfer Committee to ratify transfer of shares, etc. in physical form and confirmation made to demat requests received by the Company for the said period. The entire process including dispatch of share certificates to the shareholders is completed within the time stipulated as per the listing agreement.

Dematerialization of Shares:

The Company's equity shares are mandated by SEBI for settlement only in dematerialized form by all investors. The Company has signed agreements with National Securities Depository Limited (NSDL) to offer depository services to its shareholders.

Registrar & Share Transfer Agents:

For any assistance regarding share transfers, transmissions, change of address, duplicate/ missing share certificates and other relevant matters, please write to the Registrar and Share Transfer Agents of the Company, at the address given below:

M/s. System Support Services

209, Shivai Industrial Estate, Next to Parke-Davis,

Sakinaka, 89, Andheri-Kurla Road,

Andheri (East), Mumbai - 400072.

Tel No.: 022-2850 0835

Fax No.: 022-2850 1438

Email id: syss72@yahoo.com

Address for correspondence:

Neogem India Limited

G-32, Gem & Jewellery Complex III,

Seepz (SEZ), Andheri (East), Mumbai - 400096.

Tel. Nos.: 022-3088 2640/ 41

Fax No.: 022-2829 1123

Email id: mail@neogemindia.com

Investors can register their complaints/ grievances on the Company's designated Email id:

investors@neogemindia.com



Neogem India Limited

Stock Market Data:

Month/Year	Bombay Stock Exchange Limited (BSE)	
	High (Rs.)	Low (Rs.)
April 2010	6.66	5.00
May 2010	7.43	5.97
June 2010	10.50	6.75
July 2010	13.29	10.06
August 2010	11.07	9.61
September 2010	12.65	9.04
October 2010	12.74	9.32
November 2010	15.10	9.50
December 2010	15.38	10.10
January 2011	18.40	13.30
February 2011	16.10	11.65
March 2011	19.25	15.05

Distribution of Shareholding as on 31st March 2011:

Shareholding	No. of shares	% of shares to Total	No. of shareholders	% of Shareholders to Total
1 - 500	5,54,716	7.04	2,558	79.12
501 - 1000	3,28,674	4.17	359	11.10
1001 - 5000	5,96,570	7.57	232	7.18
5001 - 10000	3,92,800	4.99	52	1.61
10001 & Above	60,07,240	76.23	32	0.99
Shares in Transit	Nil	Nil		
TOTAL	78,80,000	100.00	3,233	100.00

Physical/ Electronic Shareholding Pattern as on 31st March 2011:

Category	No. of Shares	% of Shares to Total	No. of Shareholders	% of Shareholders to Total
C. D. S. L.	Nil	Nil	Nil	Nil
N. S. D. L.	50,12,940	63.62	826	25.55
Physical	28,67,060	36.38	2,407	74.45
In Transit (Demat)	Nil	Nil		
TOTAL	78,80,000	100.00	3,233	100.00

Neogem India Limited



Shareholding Pattern as on 31st March 2011:

Category	No. of shares	% of shares to Total	No. of Shareholders	% of Shareholders to Total
Promoter Group:				
Indian	31,33,450	39.76	6	0.19
Public Shareholding:				
Mutual Funds	24,300	0.31	1	0.03
Non Institutions:				
Bodies Corporate	7,41,580	9.41	90	2.78
Individual: <i>Share Capital <=100000</i>	15,90,370	20.18	3,032	93.78
<i>Share Capital > 100000</i>	23,37,000	29.66	18	0.56
NRI Individuals (Non Rep)	2,600	0.03	4	0.12
NRI (Repatriation)	50,700	0.64	82	2.54
TOTAL	78,80,000	100.00	3,233	100.00

B) NON-MANDATORY REQUIREMENTS:

The Board is taking guidance from the Non-Mandatory requirements as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestions of the non-mandatory requirements.

ANNEXURE 2

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

In accordance with Clause 49 I(D) of the Listing Agreement with the Stock Exchange, I, Gaurav Doshi, Chairman and Managing Director of Neogem India Limited hereby confirm that the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2011.

For Neogem India Limited

Gaurav Doshi

Chairman & Managing Director

Place: Mumbai
Date : 30th May, 2011

ANNEXURE 3

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Neogem India Limited,

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our Examination 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

M/S. ASHOK BAIRAGRA & ASSOCIATES

Chartered Accountants
(Registration No. 118677W)

Place : Mumbai
Date : 30th May, 2011

ASHISH JALAN

Partner

M.No.125707



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry Structure, Developments and Outlook

Despite the continued after-effects of the economic crisis, the global economy continued to expand. After sharp deceleration in 2008 and contraction in 2009, global GDP is estimated to have grown by 3.9% in 2010, led by growing domestic demand in developing economies. While the global recovery is yet patchy, outlook for consumer demand remains positive, on the back of strong retail confidence and demand growth, especially in emerging economies.

Gems and jewellery form an integral part of Indian tradition, a legacy passed from one generation to another. The components of jewellery include not only traditional gold but also diamond, platinum accompanied by a variety of precious and semi-precious stones. After witnessing a pronounced contraction in 2009, the global jewellery sector recovered strongly during 2010 with a 17% increase in demand. Asian consumers, especially China and Asia led this demand. Export of gems and jewellery during the year from India registered a gain of 46% over the previous year. With various government efforts and incentives coupled with private sector initiatives, we expect Indian gems and jewellery sector to grow around 13% during 2011-2013. While increasing gold prices and rising inflation could be factors to watch, consumer demand is expected to continue its momentum.

Neogem India Limited is engaged in manufacturing and export of gold studded jewellery. It has a well-equipped manufacturing facility with technically advanced machines to carry out production efficiently. Our skilled workforce is trained to deliver high quality products of international standards. We commit ourselves to offer the best and look forward to developing long-term business relationships.

2) Opportunities and Threats

The revival of demand during last year, in sharp contrast to the upheavals during 2009, signifies the growth opportunities for our business. While the traditional major markets of USA and Europe continue to show a stable growth, emerging economies of China and India are experiencing a strong demand for luxury and lifestyle products, in line with growing aspirations. The mature markets present an opportunity to obtain better margins through value addition in product quality, design innovations and increasing consumer engagement at retail as well as trade levels.

The global as well as the Indian economy has been increasingly subjected to disruptions and shocks in recent times, adding to the volatility in which the business operates. Your Company continues to be subject to various risks in the economic environment, including but not limited to product, marketing, competition, economic downturns, financial risks, consumer demand, etc. While the increased FII inflows in the earlier part of the year helped rupee to strengthen, we expect Indian currency to perform under pressure due to uncertain global conditions. Rising inflation with consequent upward movement in input costs and higher interest rates are expected to have an adverse impact on corporate activity and on consumer demand as well.

3) Operational and Financial Performance

With continued emphasis on leveraging the Company's strengths in designing and producing quality products, strong commitments to consumer satisfaction and its global market presence, the management was able to participate in the buoyant markets and registered strong operating performance during the year. The Company was able to export its products in competitive global markets like U.S.A., Hong Kong, Middle East, etc. which contribute a major part of the total export turnover.

The operations of the Company have shown considerable improvement as compared to the previous year. The Company has achieved a turnover of Rs.82,00,44,691/- in the current year as compared to Rs.23,90,40,160/- during the previous year reflecting a growth of 243%. The profits of the Company have also shown a remarkable increase with the Company earning a Profit of Rs.1,40,83,241/- before tax as compared to a Profit of Rs.90,87,673/- before tax for the previous year registering an increase of 54.97%.

4) Internal Controls and their adequacy

The Company has adequate internal control systems commensurate with its size and operations. The systems are updated and monitored on a continuous basis so as to ensure complete alignment with evolving technological requirements. Regular internal audit is conducted to ensure that all systems and procedures are in place and are followed regularly. Your Company maintains adequate insurance against unforeseeable risks, given the nature of its products.

5) Human Resources & Industrial Relations

We recognize the critical role that our people play in the success and growth of our business. It is the skill and initiative of our workforce that sets us apart from our peers in today's knowledge-driven economy. It is their commitment and dedication that lends us the competitive edge. Policies which we have framed for our employees are aimed at achieving our business objectives while encouraging individual contributions and reinforcing a work culture which challenges employees to give their best.

During the year 2010-11, industrial relations were cordial and harmonious.

We believe that people who join us, would remain with us for a long time.



AUDITOR'S REPORT

To,

The Members of

Neogem India Limited

1. We have audited the attached Balance Sheet of **Neogem India Limited** as at 31st March'2011 the Profit and Loss Account and also the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally acceptable in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. 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 a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to (as paragraph 3)above, we report that:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 **Except leave encashment which is provided on the basis of actual calculation rather than actuarial valuation as per AS15:**
 - (v) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of the clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) **Subject to our remark in para 4(iv) above**, In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the **profit** for the year ended on that date and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
(Registration No. 118677W)

Place: Mumbai
Date: 30th May, 2011

Ashish Jalan
Partner
Membership Number: 125707



ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date for the year ended 31st March, 2011)

- (i) (a) The company has maintained records showing full particulars including quantitative details and situation of fixed assets. However as explained to us management is in the process of updating records for proper presentation and classification of the fixed assets of the company.
- (b) As per the information and explanations given to us, all the major assets have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) As explained to us, the company has not disposed off any substantial part of fixed assets during the year, so as to affect the going concern.
- (ii) (a) As explained to us, the inventory has 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 inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- (b) As the company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956 this clause relating to rate of interest and other terms and conditions of the loan granted is not applicable.
- (c) As the company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956 this clause relating to receipt of the principal amount and interest are not applicable.
- (d) There is no overdue amount of unsecured loans given to parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The company had taken unsecured interest free loan from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,88,87,000/- and the year-end balance of loans taken from such parties is Rs. 1,21,97,000/-.
- (f) In our opinion, as company had taken interest free unsecured loan hence the question of reporting whether the rate of interest and other terms and conditions of such loans are prejudicial to the interest of the company does not arise.
- (g) Since there is no stipulation as to the time period for the repayment of unsecured loans taken, we are unable to comment on the regularity of the same.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA or any relevant provisions of the Companies Act, 1956 and the Companies (Acceptance and Deposits) Rules, 1975 are not applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) The company has no formal internal audit system, however the company has build-in internal control system commensurate with the size of the Company and the nature of its business.

Neogem India Limited



- (viii) According to the information given to us, Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, in case of the Company.
- (ix) (a) As per information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to the company have generally been regularly deposited with the appropriate authorities though there has been delays in deposit in a few cases which are not serious.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, Service tax, custom duty, excise duty and cess, which have not been deposited on account of any dispute.
- (x) In our opinion, there are no accumulated losses of the company at the end of financial year. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayments of dues to the banks.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit fund or a Nidhi/ Mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not raised any term loans during the year. Hence the question of application for the purpose for which they were raised doesn't arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that, prima facie, no funds raised on short-term basis have been used for long-term investment.
- (xviii) To the best of our knowledge and according to information & explanation given to us, we report that the company has not made any preferential share allotments of equity shares covered under the register required to be maintained u/s. 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
(Registration No. 118677W)

Ashish Jalan
Partner

Membership Number: 125707

Place: Mumbai

Date: 30th May, 2011



Neogem India Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AS AT 31.3.2011		AS AT 31.3.2010	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	A	78,800,000		67,050,000	
(b) Share Application / Share Warrants (Refer Note B (1) of Schedule "R")		4,290,000		6,175,000	
(c) Reserves & Surplus	B	36,217,861		21,890,369	
(2) LOAN FUNDS					
(a) Secured Loans	C	97,852,895		92,236,551	
(b) Unsecured Loans	D	12,197,000		18,562,000	
(3) DEFERRED TAX LIABILITY (NET)		1,044,488		1,288,740	
TOTAL		230,402,244		207,202,661	
II APPLICATION OF FUNDS					
(1) FIXED ASSETS					
Gross Block	E	27,846,111		30,536,517	
Less:- Depreciation		18,670,557		18,901,003	
Net Block		9,175,554		11,635,514	
(2) INVESTMENTS	F	14,040		14,040	
(3) CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories	G	43,501,627		40,577,959	
(b) Sundry Debtors	H	560,476,554		350,734,272	
(c) Cash & Bank Balances	I	6,153,261		252,149	
(d) Loans & Advances	J	7,191,630		6,940,118	
		617,323,073		398,504,498	
Less: CURRENT LIABILITIES & PROVISIONS	K				
(a) Liabilities		392,780,423		199,621,391	
(b) Provisions		3,330,000		3,330,000	
		396,110,423		202,951,391	
Net Current Assets		221,212,650		195,553,107	
TOTAL		230,402,244		207,202,661	
NOTES ON ACCOUNTS	R				

As per our report of even date

FOR ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
(Registration No. 118677W)

For and on behalf of the Board

ASHISH JALAN
Partner
Membership No. :- 125707

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director

Place : Mumbai
Date: 30th May, 2011

Neogem India Limited



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	2010-2011 Rs.	2009-2010 Rs.
INCOME			
Sales		820,044,691	239,040,160
Other Income	L	15,850,513	3,953,746
TOTAL		835,895,203	242,993,906
EXPENSES			
Material Cost	M	363,186,853	195,598,743
Cost of Sales of Trading Goods	N	418,537,500	7,943,870
Other Manufacturing Expenses	O	6,560,927	4,810,704
Personnel Cost	P	6,357,814	7,554,452
Administrative & Other Expenses	Q	16,521,276	6,869,041
Interest & Financial Expenses		9,214,523	9,582,457
Depreciation		1,433,069	1,546,967
		821,811,962	233,906,234
PROFIT BEFORE TAX		14,083,241	9,087,673
Deferred Tax Liability		(244,252)	(2,260,369)
PROFIT AFTER TAX		14,327,493	11,348,042
Prior Period Adjustments (Net)		-	(233,743)
Income Tax of Earlier Year		-	38,904
Balance Brought Forward from previous year		18,110,369	6,567,489
BALANCE CARRIED TO BALANCE SHEET		32,437,861	18,110,369
AFTER EXTRA ORDINARY ITEMS			
BASIC EARNINGS PER SHARE		1.82	1.66
DILUTED EARNINGS PER SHARE		1.52	1.41
BEFORE EXTRA ORDINARY ITEMS			
BASIC EARNINGS PER SHARE		1.82	1.66
DILUTED EARNINGS PER SHARE		1.52	1.41
NOTES ON ACCOUNTS	R		

As per our report of even date

FOR ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
(Registration No. 118677W)

For and on behalf of the Board

ASHISH JALAN
Partner
Membership No. :- 125707

Place : Mumbai
Date: 30th May, 2011

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director



Neogem India Limited

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'A' SHARE CAPITAL		
AUTHORISED :		
1,00,00,000 Equity Shares of Rs.10/-each	100,000,000	100,000,000
ISSUED, SUBSCRIBED, CALLED UP AND FULLY PAID UP :		
788,00,000 (P.Y. 67,05,0000) Equity Shares of Rs.10/- each	78,800,000	67,050,000
TOTAL	78,800,000	67,050,000
SCHEDULE 'B' RESERVES & SURPLUS		
1. Share Premium Account		
As per last Balance Sheet	3,780,000	3,780,000
2. Profit & Loss Account		
	32,437,861	18,110,369
TOTAL	36,217,861	21,890,369
SCHEDULE 'C' SECURED LOANS		
1. Working Capital Loan from Banks		
(Working Capital Loan is secured by hypothecation of stock of Raw Material & Finished Goods, Export Documentary Bills, Fixed Assets, Residential Flat of One Director & Two Shareholders as well as Personal Guarantee of Two Directors and Three Shareholders)	97,852,895	92,062,911
2. Vehicle Loan (Secured against hypothecation of Vehicle)		
(Repayable within One Year Rs.NIL /-, P. Y. Rs.1,73641/-)	-	173,641
TOTAL	97,852,895	92,236,551
SCHEDULE 'D' UNSECURED LOANS		
Inter Company Deposits	8,500,000	8,500,000
From Directors	3,697,000	10,062,000
TOTAL	12,197,000	18,562,000

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 'E' - FIXED ASSETS

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 1.4.2010	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.3.2011	PROVISION UP TO 31.3.2010	DEDUCTION ON SALE OF ASSETS	PROVISION FOR THE YEAR	TOTAL DEP. 31-3-2011	AS AT 31-3-2011	AS AT 31-3-2010
LAND	440,029	-	-	440,029	-	-	-	-	440,029	440,029
STAFF QUARTERS	405,000	-	405,000	-	119,233	119,866	633	-	-	285,767
PLANT & MACHINERY	13,263,947	-	-	13,263,947	6,093,004	-	618,936	6,711,940	6,552,007	7,170,943
ELECTRICAL FITTINGS	941,409	-	-	941,409	654,507	-	43,169	697,676	243,733	286,902
INTERIOR WORKS	5,860,075	-	-	5,860,075	5,639,599	-	41,201	5,680,800	179,275	220,476
UTILITIES	273,030	-	-	273,030	209,368	-	12,969	222,337	50,693	63,662
FURNITURE & FIXTURES	3,080,226	-	-	3,080,226	1,985,326	-	194,405	2,179,731	900,495	1,094,900
FACTORY EQUIPMENTS	65,934	-	-	65,934	10,249	-	3,132	13,381	52,553	55,685
OFFICE EQUIPMENTS	694,657	-	-	694,657	461,006	-	49,113	510,119	184,538	233,651
AIR CONDITIONERS	1,313,976	-	-	1,313,976	977,489	-	62,414	1,039,903	274,073	336,487
COMPUTERS	1,827,253	43,680	-	1,870,933	1,335,606	-	255,849	1,591,455	279,478	491,647
MOTOR BIKE	41,894	-	-	41,894	19,235	-	3,980	23,215	18,679	22,659
MOTOR CAR	2,329,086	-	2,329,086	-	1,396,380	1,543,648	147,268	-	-	932,706
TOTAL	30,536,517	43,680	2,734,086	27,846,111	18,901,002	1,663,514	1,433,069	18,670,557	9,175,554	11,635,514
PREVIOUS YEAR	30,525,267	11,250	-	30,536,517	17,354,036	-	1,546,967	18,901,002	11,635,514	-

Neogem India Limited





Neogem India Limited

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 'F' INVESTMENTS		
In Shares (Current Investment)		
Shares of Punjab National Bank (Equity Shares 36 of Rs. 10/- each)	14,040	14,040
TOTAL	14,040	14,040
Book Value of Quoted Investment	14,040	14,040
Market Value of Quoted Investment	38,563	36,484
SCHEDULE 'G' INVENTORIES		
(As taken, valued & certified by the Management)		
1. Raw Materials	40,791,749	37,740,851
2. Finished Goods	765,101	1,194,033
3. Work In Progress	131,706	124,114
4. Masters & Moulds	638,001	777,757
5. Stores, Spares & Tools	1,092,609	660,887
6. Trading Goods	82,462	80,316
TOTAL	43,501,627	40,577,959
SCHEDULE 'H' SUNDRY DEBTORS		
(Unsecured, Considered Good)		
Debts outstanding for the period exceeding six months	130,451,884	108,955,849
Others	430,024,670	241,778,423
TOTAL	560,476,554	350,734,272
According to security & realisibility		
1. Debts considered good and in respect of which company is fully secured	-	-
2. Debts considered good for which the company holds no security other than the Debtors personal security	560,476,554	350,734,272
3. Debts considered doubtful or bad	-	-
Debts due from person connected with management		
1. Debts due by director or other officers of the company or any of them either severally or jointly with any other person	-	-
2. Debts due by firms in which any director is a partner	-	-
3. Debts due by private companies in which any director is a director	-	4,472,419
4. Debts due from other companies under the same management	-	-
SCHEDULE 'I' CASH & BANK BALANCES		
1. Cash on hand	1,230,340	27,014
2. Bank Balances		
With scheduled banks		
- In current A/c	4,894,349	198,347
- In Fixed Deposits	28,572	26,788
TOTAL	6,153,261	252,149



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.
SCHEDULE 'J' LOANS & ADVANCES		
Advances considered good & recoverable in cash or in kind or for value to be received.		
1. Security deposit	318,096	481,903
2. Advance Tax, T.D.S & F.B.T	4,524,175	4,490,260
3. VAT Refund Receivable	751,131	494,483
4. Other Advances	1,598,229	1,473,472
TOTAL	7,191,630	6,940,118
SCHEDULE 'K' CURRENT LIABILITIES & PROVISIONS		
Liabilities :		
1. Trade Creditors	389,861,068	192,870,433
2. Creditors For Expenses	2,830,388	2,755,909
3. Advance from Debtor	-	3,690,183
4. Credit Balance in Current Accounts with Banks	88,966	304,867
TOTAL	392,780,423	199,621,391
Provisions :		
Provision for Income Tax	3,330,000	3,330,000



SCHEDULES FORMING PART OF THE ACCOUNTS

	2010-11 Rs.	2009-10 Rs.
SCHEDULE 'L' OTHER INCOME		
Interest on F.D. with Bank (including TDS Rs.Nil, P.Y. Rs.6,458/-)	1,784	32,192
Interest on Security Deposit	6,669	6,190
Sundry Bal W/off	3,045,171	-
Profit on sale of Fixed Assets	719,213	-
Foreign Exchange Gain (Net)	11,835,778	3,914,284
Other Income	241,898	1,080
TOTAL	15,850,513	3,953,746
SCHEDULE 'M' MATERIAL COST & INVENTORY ADJUSTMENT		
Opening Stock	37,740,851	41,061,682
Add : Purchases	365,816,411	182,088,347
Less: Closing Stock	40,791,749	37,740,851
CONSUMPTION OF RAW MATERIAL	362,765,514	185,409,178
<u>Opening Stock</u>		
Finished Goods	1,194,033	2,142,671
Work In Progress	124,114	9,365,041
Total	1,318,147	11,507,712
<u>Closing Stock</u>		
Finished Goods	765,101	1,194,033
Work In Progress	131,706	124,114
Total	896,807	1,318,147
(Increase) / Decrease in Stock of Finished & Semi Finished Goods	421,340	10,189,565
TOTAL	363,186,853	195,598,743
SCHEDULE 'N' COST OF SALE OF TRADING GOODS		
Opening Stock	80,316	695,811
Add : Purchases	418,539,646	7,328,374
Less: Closing Stock	82,462	80,316
TOTAL	418,537,500	7,943,870
SCHEDULE 'O' OTHER MANUFACTURING EXPENSES		
Electricity Charges	1,129,986	1,269,974
Export Freight & Clearing	426,461	451,331
Factory Expenses	113,115	73,082
Job Work & Labour Charges	4,271,580	2,422,552
Master & Mould Consumed	255,179	210,624
Packing Material	18,556	17,220
Stores, Spares & Consumable Consumed	222,030	248,968
Transport & Handling charges	40,509	24,440
Water Charges	83,511	92,512
TOTAL	6,560,927	4,810,704

Neogem India Limited



SCHEDULES FORMING PART OF ACCOUNTS

	2010-11 Rs.	2009-10 Rs.
SCHEDULE 'P' PERSONNEL COST		
Bonus	92,987	102,880
Contribution towards P.F, E.S.I.C. & L.W.F	231,272	179,841
Remuneration to Directors	1,320,000	1,392,000
Staff Welfare Expenses	196,263	221,530
Salary, Wages & Allowances	4,517,292	5,658,201
TOTAL	6,357,814	7,554,452
SCHEDULE 'Q' ADMINISTRATIVE & OTHER EXPENSES		
Auditors Remuneration	75,000	60,000
Annual General Meeting Expenses	8,833	9,862
Advertising & Publicity	64,196	38,523
Bank Charges	1,262,459	663,885
Buyers Credit Report Expenses	13,788	37,688
Bad Debts Written Off	7,813,276	-
Car Expenses	229,871	207,911
Conveyance Expenses	113,185	94,548
Custom Duty	-	12,633
Custodian Charges	61,050	41,225
Computer Expenses	8,030	17,560
Discount Allowed	8,997	14,527
Insurance Premium	2,811,238	1,995,804
Inspection Charges	-	3,200
Jewellery Testing Charges	2,040	4,500
Licensing Charges	23,147	28,385
Legal & Professional Charges	801,870	561,830
Listing Fees	143,444	18,490
Loss on Forward Contract	85,271	162,120
Loss on Sale of Investment	-	3,680
Membership & Subscription	19,800	115,470
Office General Expenses	42,397	14,422
Printing & Stationery	83,520	116,302
Postage & Telephone Expenses	275,445	329,613
Professional Tax on Companies	5,000	-
Repairs & Maintenance (Plant & Machinery)	28,942	117,296
Repairs & Maintenance (Others)	201,411	199,907
Rent, Rates & Taxes	1,081,245	876,566
Sales Promotion Expenses	794,803	724,174
Software Purchase Charges	32,714	20,000
Security Charges	295,359	278,907
Travelling Expenses	134,947	100,015
TOTAL	16,521,276	8,669,041



SCHEDULE "R" SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1) BASIS OF ACCOUNTING :

The Accounts of the Company are prepared under the historical cost convention using the Accrual method of Accounting.

2) REVENUE RECOGNITION:

The Company recognises Revenue on Despatch of goods. In the case of job work, the revenue is recognised upon completion of the job and despatch of goods.

3) USE OF ESTIMATES :

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, reported amounts of revenues and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which such revisions are made.

4) FIXED ASSETS:

Fixed Assets are stated at their original cost including incidental expenses related to acquisition and installation less accumulated depreciation.

5) DEPRECIATION:

The Company has been providing depreciation on Straight Line Basis and in accordance with the rates specified in Schedule XIV of The Companies Act, 1956.

6) INVENTORIES:

Inventories are valued as under:

- a) Raw Material is valued at Cost on FIFO Basis or Market Value which ever is lower.
- b) WIP Stock is valued at cost on FIFO basis.
- c) Finished Goods is valued at cost on FIFO basis or net realisable value which ever is lower.
- d) Diamond included in the above stock is valued at specific identification method on FIFO basis.

7) FOREIGN EXCHANGE TRANSACTIONS :

- a) Monetary items denominated in foreign currencies at the year end are restated at the rate of exchange ruling at the Balance Sheet Date.
- b) Transactions arising in foreign currency during the year are converted at rate closely approximating those ruling on the transaction date. Exchange difference due on actual realisation or actual payment are taken to revenue or are capitalised as the case may be.

8) RETIREMENT BENEFITS :

Gratuity

In respect of Gratuity, the provision is made on Accrual Basis as per actuarial valuation at the year end.

Leave Encashment

Provision is made for Leave Encashment liability on the basis of Actual Calculation.

Provident Fund & Family Pension

Contribution to Provident Fund & Family Pension Fund are provided for & payments in respect thereof are made to the relevant authorities on actual basis.

9) COMMODITY HEDGING TRANSACTIONS:

Financial Derivatives and commodity hedging contracts are accounted on the date of their settlement and realised gain/loss in respect of settled contracts are recognised in the Profit and Loss Account, along with the underlying transactions.

10) IMPAIRMENT OF ASSETS :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

11) PROVISION FOR CURRENT & DEFERRED TAX

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961

Neogem India Limited



Deffered Tax resulting from "Timing Difference" between Book and Taxable Profit is accounted for using the tax rates & laws that have been enacted or substantively enacted on the Balance Sheet date. The Deffered Tax Asste is recognised and carried forward only to the extent that there is a virtual certainty supported by convincing evidence that the asset will be realised in future.

Net outstanding balance in Deffered Tax account is recognised as Deffered Tax Laibility/Asset The Deffered Tax account is used soley for reversing timing difference as and when crystalized.

12) CASH FLOW STATEMENT :

The Cash flow Statement is being prepared in accordance with the format prescribed in Accounting Stanadard-3 prescribed by the Institute of Chartered Accountants of India.

13) PRIOR PERIOD ITEMS :

All identifiable items of Income and Expenditure pertaining to prior period are accounted through "Income / Expense of earlier years Account"

14) RELATED PARTY TRANSACTIONS :

Disclosure of transactions with Related Parties, as required by Accounting Standard 18 "Related Party Disclosures" has been set out in a separate note forming part of this Schedule. Related parties as defined under clause 3 of the Accounting Standard 18 have been identified on the basis of representations made by key managerial personnel and information available with the Company.

15) EARNING PER SHARE :

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 issued by The Institute of Chartered Accountants of India. The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

16) DOUBTFUL DEBTS/ADVANCES / DEPOSITS/ INVESTMENT :

Provision is made in the accounts for Debts / Advances / Deposits / Investment which in the opinion of the management are considered doubtful of recovery.

17) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

18) INVESTMENT

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

B. NOTES ON ACCOUNTS

- During the financial year 2008-09, the Company had issued 15,65,000 preferential share warrants which were to be converted into 15,65,000 Equity shares of Rs. 10 each at par on or before 14th April 2010. The Company had allotted 3,90,000 equity shares on 31st March 2010 and balance 11,75,000 equity shares on 14th April 2010 pursuant to the conversion of the share warrants. Further the Company had taken approval of the shareholders at the A.G.M. held on 30th September 2010 for the issue of 15,60,000 preferential share warrants against which 25% application money has been received and the In-Principal Approval from the Bombay Stock Exchange is in process.

2) DIRECTORS' REMMUNERATION

Amount in Rs.

PARTICULARS	2010-11		2009-10	
	Managing Director	Whole Time Directors	Managing Director	Whole Time Directors
SALARY	634,300	629,000	634,500	633,500
CONTRIBUTION TO PROVIDENT FUND	36,000	36,000	36,000	36,000
PERQUISITES	25,700	31,000	25,500	26,500
	696,000	696,000	696,000	696,000

SITTING FEES TO OTHER DIRECTORS

RS. NIL

RS. NIL



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- 3) In the absence of the information available with the company the amounts due to the the suppliers who are registered under Micro, Small & Medium Enterprises Development Act, 2006 have not been given. No claim has been received from any such industrial undertaking upto the date of the Balance Sheet.
- 4) Balances with Sundry Creditors, Debtors, Loans and Advances and Deposits are subject to confirmation & reconciliation.
- 5) **Computation of Net Profit in accordance with Section 198 read with Section 309 (5) of the Companies Act, 1956. :-**

Particulars	2010-2011		2009-2010	
Profit Before Tax		14,083,241		9,087,673
Add :-				
Remuneration to Directors	1,392,000		1,392,000	
Directors' Sitting Fees	-		-	
less:-		1,392,000		1,392,000
Profit on sale of Assets & Investments	-		-	
		-		-
Net Profit/(Loss) for the Year		15,475,241		10,479,673

6) **Auditors' Remuneration**

	2010-11	2009-2010
Audit Fees	50,000	50,000
Tax Audit Fees	25,000	25,000
VATAudit Fees	10,000	10,000
TOTAL	85,000	85,000

7) (a) **LICENSED CAPACITY, INSTALLED CAPACITY AND PRODUCTION**

PRODUCT UNIT	LICENSED CAPACITY		INSTALLED CAPACITY		ACTUAL PRODUCTION	
	CURRENT YEAR	PREV. YEAR	CURRENT YEAR	PREV. YEAR	CURRENT YEAR	PREV. YEAR
1. POLISHED DIAMONDS (IN CARATS)	License is not required hence Not Applicable		Not Ascertainable	Not Ascertainable	0	0
2. STUDDED JEWELLERY (IN GRAMS)	License is not required hence Not Applicable		Not Ascertainable	Not Ascertainable	55,837	24,732

(b) **DETAILS OF OPENING AND CLOSING STOCK OF FINISHED GOODS AND TURNOVER CURRENT YEAR (PREVIOUS YEAR)**

PRODUCT UNIT	OPENING STOCK		CLOSING STOCK		TURNOVER	
	QTY.	VALUE Rs.	QTY.	VALUE Rs.	QTY.	VALUE Rs.
1. STUDDED JEWELLERY (In Grams)	3,025 (4,335)	1,194,033 (2,142,671)	2,532 (3,025)	765,101 (1,194,033)	56,329 (26,043)	383,839,018 (229,537,707)
2. POLISHED DIAMOND (In Carats)	7,319 (7,319)	9,224,534 (9,224,534)	1,357.00 (7,319)	979,426 (9,224,534)	5,962 -	8,245,108 -
3. TRADING GOODS (In Grams)	142.00 (819)	80,316.00 (695,811)	155.00 (142)	82,462 (80,316)	164,145 (12,731)	29,057,306 (9,502,453)
(In Carats)	-	-	-	-	341,956	398,903,258
	-	-	-	-	-	-
TOTAL		10,498,883 (12,063,016)		1,826,989 (10,498,883)		820,044,691 (239,040,160)



(c) RAW MATERIAL CONSUMED

PRODUCT	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		QUANTITY	AMOUNT Rs.	QUANTITY	AMOUNT Rs.
1. DIAMONDS	IN CARATS				
A) Polished Diamonds		72,369	347,686,240	5,432	156,564,404
B) Rough Diamonds		-	-	-	-
2. GOLD	IN GRAMS	6,838	12,319,304	20,265	28,445,516
3. OTHERS				2,759,970	399,258
			362,765,514		185,409,178

8) CONSUMPTION OF RAW MATERIALS

PRODUCT	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	%	Rs.	%
1. RAW MATERIALS				
IMPORTED	362,765,514	100.00	185,409,178	100.00
INDIGENOUS	-	-	-	-
	362,765,514	100.00	185,409,178	100.00

9) VALUE OF IMPORT ON CIF BASIS

CURRENT YEAR PREVIOUS YEAR
AS AT 31.03.2011 AS AT 31.03.2010

	Rs.	Rs.
RAW MATERIALS	460,739,228	54,898,989
FINISHED GOODS	323,597,330	134,433,033
STORES & SPARES	788,675	979,674

10) EXPENDITURE IN FOREIGN CURRENCY

TRAVELLING EXPENSES (Cash Basis)	126,201	91,137
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11) WORKING OF EARNING PER SHARE

AFTER EXTRA ORDINARY ITEMS

PROFIT AFTER TAX	14,327,493	11,114,299
BASIC NO OF EQUITY SHARES OF FACE VALUE RS.10/- EACH	7,880,000	6,705,000
EPS BASIC Rs.	1.82	1.66
DILUTED NO OF EQUITY SHARES OF FACE VALUE RS.10/- EACH	9,440,000	7,880,000
EPS DILUTED Rs.	1.52	1.41

BEFORE EXTRA ORDINARY ITEMS

PROFIT AFTER TAX	14,327,493	11,114,299
BASIC NO OF EQUITY SHARES OF FACE VALUE RS.10/- EACH	7,880,000	6,705,000
EPS BASIC Rs.	1.82	1.66
DILUTED NO OF EQUITY SHARES OF FACE VALUE RS.10/- EACH	9,440,000	7,880,000
EPS DILUTED Rs.	1.52	1.41

12) EARNING IN FOREIGN EXCHANGE

EXPORT OF GOODS- CALCULATED ON FOB BASIS	806,225,783	227,383,894
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Neogem India Limited

13) RELATED PARTY DESCLOSURES :

The Disclosure required under Accounting Standard 18 in respect of Related Parties are given below :-

NAME OF RELATED PARTIES

Associates

of Key Managerial Personnel

Kamya Impex Pvt. Ltd.

Gaurav Doshi

Ronak Doshi

Key Management Personnel Relative

Mahindra B. Doshi

RELATED PARTY TRANSACTIONS

Sr. No.	Nature of Transaction	2010-11 (2009-10)		
		Associates	Key Management Personnel	Relative of Key Mgmt. Personnel
	Transactions during the year			
1	Re-payment of Loan (Previous Year)		6,365,000	-
2	Remuneration (Previous Year)	-	1,392,000	-
		-	(1,392,000)	(120,000)
	Balances at the year end:			
1	Receivables (Previous Year)	-	-	-
		(4,472,419)	-	-
2	Unsecured Loans (Previous Year)	-	3,697,000	-
		-	(10,062,000)	-

14) SEGMENT REPORTING

Since Company is Only dealing in One Type of Product i.e. Studded Jewellery hence Segment Reporting is not Applicable.

15) DEFERRED TAX LIABILITIES/ASSETS

As required by Accounting Standard 22 on "Accounting for Taxes on Income." Deferred Tax is comprising of the following items:

PARTICULARS	As on 31.03.2011	As on 31.03.2010
DEFERRED TAX LIABILITIES		
Related to Fixed Assets	1,044,488	1,288,740
NET DEFERRED TAX (ASSET)/LIABILITY	1,044,488	1,288,740

As at 31st March,2011 the Company has C/f losses of Rs.12,50,442/-. However due to lack of of virtual Certainty & convention evidence of earing profit in the coming year the company has not recognised Deferred Tax Assets on amount of loss, which is in line with Accounting Standard 22 dealing with "Accounting for Taxes on Income"

16) CONTINGENT LIABILITIES :

Claims against the Company not acknowledged as debts : Rs. Nil (Previous Year : Rs. Nil)



17) Disclosure as per AS- 15 (Revised)

	As on 31.3.2011	As on 31.3.2010
a. <u>Assumptions</u>		
Discount Rate	8%	8%
Salary Escalation	5%	5%
b. <u>Table Showing changes in present value of obligations</u>		
Present value of obligations as at the beginning of the year	130190	250589
Interest Cost	10415	20047
Current Service cost	18268	53667
Benefits paid	(16,362)	(121,922)
Actuarial (Gain)/Loss on obligation	-10524	48090
Present value of obligations as at the end of the year	131987	250471
c. <u>Table Showing Changes in the fair value of plan assets</u>		
Present value of plan assets as at the beginning of the year	92734	364,862
Expected return on plan assets	10933	27128
Contributions	57521	69489
Benefits paid	(16,362)	(121,922)
Actuarial Gain/(Loss) on obligation	NIL	NIL
Present value of plan assets as at the end of the year	144826	339557
d. <u>Table Showing fair value of plan assets</u>		
Present value of plan assets as at the beginning of the year	92734	364,862
Actual return on plan assets	10933	27128
Contributions	0	69489
Benefits paid	(16,362)	(121,922)
Present value of plan assets as at the end of the year	144826	339557
Funded Status	12,839	89,086
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return=Estimated rate of return as ARD falls on 31st March)		
e. <u>Actuarial Gain/Loss recognised</u>		
Actuarial (Gain)/Loss for the year- obligations	10,524	(48090)
Actuarial (Gain)/Loss for the year- plan assets	NIL	NIL
Total Actuarial (Gain)/Loss for the year	-10524	48090
Actuarial (Gain)/Loss recognised for the year	-10524	48090
f. <u>Amounts to be recognised in Balance Sheet and Profit & Loss Account</u>		
Present Value of obligations as at the end of the year	131987	250471
Fair Value of plan assets as at the end of the year	144826	339557
Funded Status	12,839	89086
Net Asset/(liability) recognised in Balance Sheet	(12,839)	(89,086)
g. <u>Expenses recognised in statement of profit & loss Account</u>		
Current Service cost	18268	53667
Interest Cost	10415	20047
Expected return on plan assets	(10933)	(27,128)
Net Actuarial (Gain)/Loss recognised for the year	-10524	48090
Expenses recognised in statement of profit & loss Account	7226	94676



18) PRIOR PERIOD ITEMS

Particulars	2010-11	2009-10
1 Income	-	237116
2 Expenses	-	(3,373)
	<hr/>	<hr/>
	-	233,743
3 Excess Provision for tax - net of interest received / (short) provision for income tax including interest & TDS	-	(38,904)
	<hr/>	<hr/>
Total	-	194,839
	<hr/> <hr/>	<hr/> <hr/>

19) DISCLOSURE AS PER CLAUSE 32 OF LISTING AGREEMENT:

Loans & Advances given to Subsidiary Company

Name of Subsidiary: N.A

Particulars	2010-11	2009-10
Outstanding balance at the end of the year	-	-
Maximum balance outstanding during the year	-	5,017

20) In view of b/f loss, Provision for Income Tax is not made in the current year.

21) Previous year's figures have been recast and regrouped wherever necessary.



22) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI OF THE COMPANIES ACT 1956

BALANCE SHEET ABSTRACT AND COMPANYS' GENERAL BUSINESS PROFILE

i. Registration Detail

Registration No. 1 1 - 6 3 3 5 7 State Code 1 1

Balance Sheet Date 3 1 - 0 3 - 2 0 1 1

ii. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue N I L Right Issue N I L

Bonus Issue N I L Private Placements 1 1 7 5 0

(Preferential Allotment)

iii. Positions of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities 2 3 0 4 0 2 Total Assets 2 3 0 4 0 2

Sources of Funds

Paid - Up Capital 7 8 8 0 0 Reserves & Surplus 3 6 2 1 8

Share Application Money 4 2 9 0 Deffered Tax Liabilities 1 0 4 4

(Warrants)

Secured Loans 9 7 8 5 3 Unsecured Loans 1 2 1 9 7

Application of Funds

Net Fixed Assets 9 1 7 6 Investments 1 4

Net Current Assets 2 2 1 2 1 3 Miscellaneous Expenditure -

Accumulated Loss N I L Deffered Tax Assets -

iv. Performance of Company (Rs. In Thousands)

Turnover 8 3 5 8 9 5 Total Expenditure 8 2 1 8 1 2

Profit/ (Loss) Before Tax 1 4 0 8 3 Profit/ (Loss) After Tax 1 4 3 2 7

Earning Per Share (Basic) (Rs.) 1 . 8 2 Dividend Rate % N I L

Earning Per Share (Dialuted) (Rs.) 1 . 5 2

v. Generic Names of Three Principal Products/Service of Company (As per monetary terms)

Item Code No. 7 1 1 3 1 9 . 0 3

Product Description J E W E L L E R Y O F G O L D S E T W I T H D I A M O N D S

Signatures to Schedule ' A ' to ' R '

As per our report of even date

FOR ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
(Registration No. 118677W)

For and on behalf of the Board

ASHISH JALAN
Partner
Membership No. :- 125707
Place : Mumbai
Date: 30th May, 2011

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director



Neogem India Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	CURRENT YEAR AS AT 31/03/2011	PREVIOUS YEAR AS AT 31/03/2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extra - ordinary items	14,083,241	9,087,673
Adjustment for		
Depreciation	1,433,069	1,546,967
Interest Expenses	9,214,523	9,582,457
Prior Period Expenses	-	194,839
Interest Income	(1,784)	(32,192)
Dividend Income	-	-
	<u>10,645,807</u>	<u>11,292,071</u>
Operating Profit before working capital changes	24,729,049	20,379,744
Adjustment for Working Capital :		
(Increase) / Decrease in current asset :		
(Increase)/ Decrease in Debtors	(209,742,282)	(148,926,207)
(Increase)/ Decrease in Inventories	(2,923,668)	13,690,509
(Increase)/ Decrease in Loans & advances	(217,598)	1,322,153
	<u>(212,883,548)</u>	<u>(133,913,545)</u>
Increase/ (Decrease) in current liability :		
Increase/ (Decrease) in Creditors for goods	196,990,635	116,868,561
Increase/ (Decrease) in Creditors for expenses	74,479	962,500
Increase/ (Decrease) in other liabilities	(3,906,084)	(244,532)
	<u>193,159,031</u>	<u>117,586,529</u>
Cash generated from operations	5,004,531	4,052,728
Less : Income Tax & FBT paid	(33,915)	(123,389)
	<u>4,970,616</u>	<u>3,929,339</u>
NET CASH FLOW FROM OPERATING ACTIVITIES	4,970,616	3,929,339
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	1,026,890	(11,250)
Interest Received	1,784	32,192
Sale Proceeds on sale of Investment	-	80,000
	<u>1,028,674</u>	<u>100,942</u>
NET CASH FLOW FROM INVESTING ACTIVITIES	1,028,674	100,942
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest on borrowings	(9,214,523)	(9,582,457)
Proceeds from Borrowings	(748,656)	(4,144,486)
Proceeds from share capital & share warrants	9,865,000	8,510,000
	<u>(98,179)</u>	<u>(5,216,943)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	(98,179)	(5,216,943)
NET CHANGES IN CASH & CASH EQUIVALENTS	5,901,112	(1,186,662)
CASH & CASH EQUIVALENTS OPENING BALANCE	252,149	1,438,811
CASH & CASH EQUIVALENTS CLOSING BALANCE	6,153,261	252,149

FOR ASHOK BAIRAGRA & ASSOCIATES

Chartered Accountants
(Registration No. 118677W)

For and on behalf of the Board

ASHISH JALAN
Partner
Membership No. :- 125707

Place : Mumbai
Date: 30th May, 2011

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director

NEOGEM INDIA LIMITED

ATTENDANCE SLIP

Regd. Office:
G-32, Gem & Jewellery Complex No.III,
2nd floor, Seepz, Andheri (East),
Mumbai - 400 096

PLEASE COMPLETE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I/We hereby record my presence at the **TWENTIETH ANNUAL GENERAL MEETING** on Friday, the 30th September 2011, at 1.30 p.m. at Hotel Tunga Paradise, M.I.D.C. Central Road, Andheri (E), Mumbai - 400 093.

NAME OF THE SHAREHOLDER / PROXY
SIGNATURE OF THE SHAREHOLDER / PROXY

Ledger Folio No.....No. of Shares held.....Client ID DP ID.....

NEOGEM INDIA LIMITED

PROXY FORM

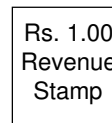
Regd. Office:
G-32, Gem & Jewellery Complex No.III,
2nd floor, Seepz, Andheri (East), Mumbai - 400 096

Ledger Folio No.....No. of Shares held.....Client ID DP ID.....

I/Weof
.....being the member / members of **Neogem India Limited**
hereby appoint.....of.....
or failing him.....of.....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the **TWENTIETH ANNUAL GENERAL MEETING** on Friday, the 30th September 2011, at 1.30 p.m. Hotel Tunga Paradise , M.I.D.C. Central Road, Andheri (E), Mumbai - 400 093 and at any adjournment thereof.

Signed this day of, 2011.



Signed by the said

Note: The proxy 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 meeting.

Book Post

Important Communication to Members

To support the 'Green Initiative in Corporate Governance' taken by the Ministry of Corporate Affairs, members are requested to register their e-mail address with their Depository Participants or send an e-mail to the Company on **investors@neogemindia.com**

We look forward to your co-operation in the protection of our environment.

if undelivered please return to :

Neogem India Limited

G/32, G & J Complex III,
Seepz (SEZ), Andheri (E),
Mumbai - 400 096.
Contact Person :
Mr. Sanjay Boradia
Tel. : 91-22-3088 2640.

CRYSTAL (022) - 6614 0900
cfi_mum@crystalforms.com