360°

FROM MINE TO MIND: A UNIQUE BUSINESS MODEL

Shree Ganesh Jewellery House (I) Limited
(Formerly known as Shree Ganesh Jewellery House Ltd.)
Annual Report 2012-13

Disclaimer

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Across the pages

The year 2012-13 was one of the most challenging in decades for the global and Indian economy.

During this difficult year, we at Shree Ganesh Jewellery House (I) Limited not only addressed our immediate needs but also strengthened our long-term strategic model.

We grew our presence across three businesses and entered two new segments in 2012-13. Besides, we reported a profit after tax of ₹25,380.16 lac in 2012-13.

We've just begun...

Shree Ganesh Jewellery House (I) Limited is 18 companies in one.

Engaged in mining, refining, jewellery manufacture, retail, solar energy, gold loan financing and bullion trading.

Possessing one of the most extensive value chains in the global gems and jewellery sector.

Making it unique.

Legacy

The Company was incorporated in 2002 by Mr. Nillesh Parrekh and Mr. Umesh Parekh and is one of the largest manufacturers and exporters of handcrafted gold and machine-made gold jewellery in India. The Company's products include handcrafted and hallmarked gold jewellery, gold enamelled jewellery and gold jewellery studded with precious stones (diamonds, rubies, emeralds, sapphires, and pearls, among others) and semi-precious stones (such as garnets, cubic zirconium, among others).

Presence

The Company's headquarter is in Kolkata; its three manufacturing locations are located in and around Kolkata; its 46 sales and marketing offices are spread pan-India. The Company's products are exported to the UAE, Singapore, Hong Kong and the US.

The Company's shares are listed and actively traded on the Bombay Stock Exchange and the National Stock Exchange. The Company's market capitalisation stood at 58,700 lac as on March 31, 2013.

Product basket

The Company's product portfolio comprises rings, earrings, pendants, bracelets, necklaces and bangles, among others. The product mix includes the following:

- Handcrafted hallmarked plain and antique gold jewellery
- Gold enamelled and studded jewellery as well as diamond-studded jewellery
- Casting, exclusive Mughal-style jadau and kundan jewellery
- Ruby-emerald jewellery, polki chakri jewellery
- Light-weight Italian gold jewellery, and
- Gold bangles and chains (handcrafted and machine-made).

Awards and accolades

- Award for 'Outstanding Export Performance' by Gems and Jewellery Export Promotion Council in the category of 'Plain Precious Metal Jewellery Exports' from Units by EOU/ EPZ, 2010-11
- Recognised as the highest exporter of gems and jewellery from India by DHL-CNBC International Trade Awards
- Recognised as a Four Star Export House
- Nominated agency under the Foreign Trade Policy, permitting the Company to directly import precious metals
- Credit rating of A1+ for short-term debt and A+ for long-term debt as appraised by CARE

Manufacturing units

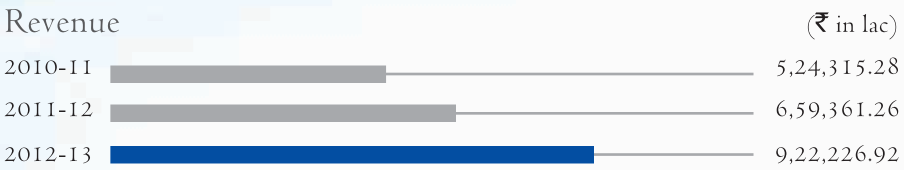
- Manikanchan SEZ (Kolkata) - Gold manufacturing capacity: 42 tonnes of handcrafted jewellery; craftsmen: 334
- Mondalpara (West Bengal) - Gold manufacturing capacity: 1.5 tonnes of Italian fusion jewellery, 0.6 tonnes of bangles jewellery and 0.45 tonnes of plain and studded gold jewellery; craftsmen: 60
- Domjur (West Bengal) - Gold and diamond studded jewellery manufacturing capacity: 20 tonnes of handcrafted jewellery and 1.5 lac carat diamond studded jewellery; Refining capacity: 35 tonnes p.a.; craftsmen: 400 (expected)

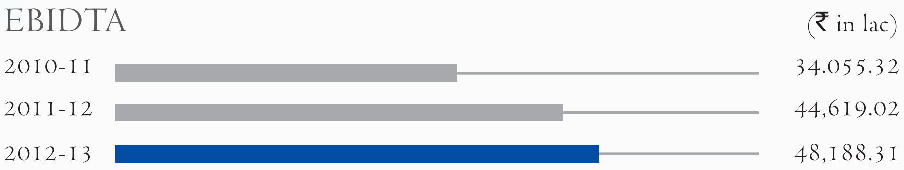
Manikanchan SEZ (Kolkata) Gold manufacturing capacity:

42,000

kgs of handcrafted jewellery

The last three years were the most challenging the world over.





Milestones

2003

- Received approval from the Development Commissioner, Manikanchan SEZ for setting up of our manufacturing unit at Manikanchan, SEZ.

2004

- Set up the first factory for the manufacture of jewellery at Manikanchan SEZ with a capacity of 500 kgs of gold per year.

2006

- Promoters, Mr. Nillesh Parrekh and Mr. Umesh Parekh awarded the 'Young Achievers Award' by Sin Gems.

2007

- Opened first branded retail jewellery store at Kolkata and Ahmedabad.

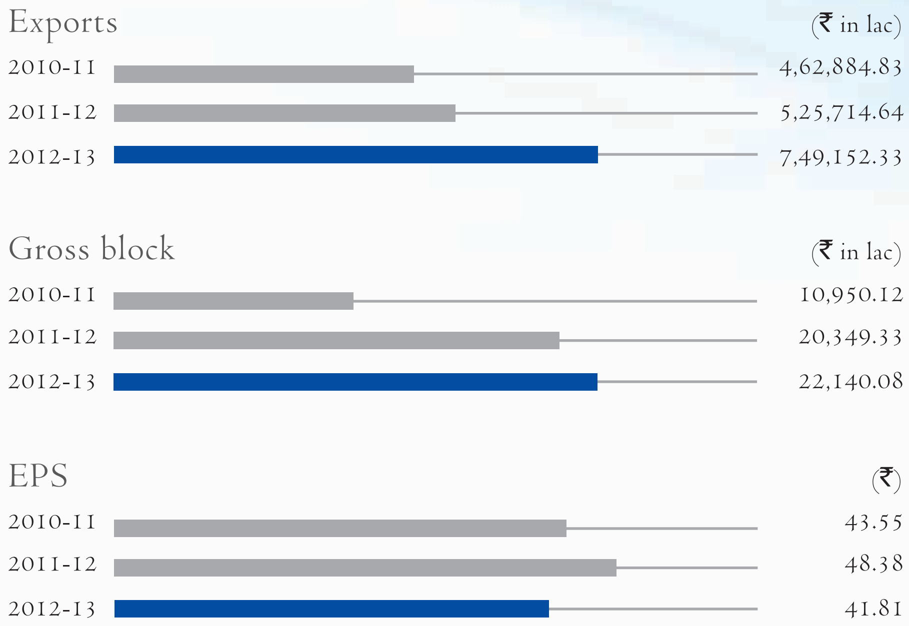
2008

- During the financial year 2007-2008, our manufacturing units exceeded a capacity of 10,000 kgs of gold.
- Received the 'Three Star Export House' certificate.
- Received the 'Outstanding Export Performance and Contribution in the Trade for Plain Precious Metal Jewellery Exports by Unit from EOU/ EPZ' from the Gems and Jewellery Export Promotion Council.

2009

- Received the 'Four Star Export House' certificate.
- Received the status of a 'Nominated Agency' under the Foreign Trade Policy for the purpose of direct import of precious metals.
- Received the 'Outstanding Export Performance and Contribution in the Trade for Plain Precious Metal Jewellery Exports by Unit from EoU/EPZ' from the Gems and Jewellery Export Promotion Council.

The last three years were the most profitable for us.



2010

- Awarded by Gem & Jewellery Export Promotion Council - India for Outstanding Export Performance and contribution in the trade.
- EPCES Export Awards for 'Best SEZ-SSI' for the year 2007-08.

2011

- 'Highest Exporter-Gems and Jewellery from India' at the DHL-CNBC International Trade Awards 2010-11.
- Awarded by GJEPC for outstanding export performance in- 'Plain Precious Metal Jewellery Exports from Units by EOU/EPZ 2010-11.'

2012

- The ECGC-D&B Indian Exporters Excellence Awards 2012 for the 'Largest Manufacturer-Exporter from India'.
- Awarded by GJEPC for outstanding export performance in-'Plain Precious Metal Jewellery Exports from Units by EOU/EPZ 2011-12 & Studded Precious Metal Jewellery Exports from Units by EOU/EPZ 2011-12'.

2013

- Business World International Business Awards awarded Shree Ganesh Jewellery House (I) Ltd. for 'Excellent Export Performance' in the past three years.

Chairman's overview

At Shree Ganesh Jewellery House (I) Limited, we recognise that we can either position ourselves as a converter of gold into jewellery with all the attending advantages of scale, efficiency and competence, or we can graduate as a unique player world over.

It is the second option that we find more compelling.

At Shree Ganesh Jewellery House (I) Limited, we are driven by the vision of emerging as the only completely integrated gems and jewellery player in the global sector and the one with the longest value chain.

It is this vision that we embarked on during the year under review, which will play out visibly over the foreseeable future.

Value chain explained

In the global gems and jewellery sector, there is an emphasis on specialisation. A company that starts out as a mining company generally stays a mining company throughout its existence (even though there have been exceptions). The same applies to companies that begin as gem and jewellery manufacturing companies or retail companies within their respective sectors. It has generally been seen that companies stick to their knitting, preferring to scale their businesses within their adopted spaces rather than entering adjacent business areas, the only exception to this approach being the select instance of companies extending from the manufacture of jewellery to branded retail.

At Shree Ganesh Jewellery House (I) Ltd., we have embarked on a journey towards complete differentiation. Over the course of 2013-14, we intend to diversify from a significant presence in one business (jewellery manufacture) to a scaled presence in another (branded retail and renewable energy generation through a subsidiary), enter the business of gold mining and then extend ourselves into gold loan financing. The result is that while we are largely engaged in just three businesses today, we expect to be formally involved in five by the close of 2013-14.

Rationale for extension

At Shree Ganesh Jewellery House (I) Ltd., we are convinced that the time has come for the Company to extend its value chain

We intend to diversify from a significant presence in one business (jewellery manufacture) to a scaled presence in another (branded retail and renewable energy generation through a subsidiary), enter the business of gold mining and then extend ourselves into gold loan financing.

with the objective to reinforce its business model, reinforce its de-risking initiatives and strengthen its profitability across market cycles.

Take mining for instance. In our opinion, the business of mining provides the Company with the advantage of securing its own resources at a time of increasing volatility. Even as the business is relatively non cash-intensive with predictable overheads, the swings in profits are largely caused by changes in the cost of the precious metal. Given our long-term business commitment, we see that backward integration is critical to our existence, making it possible to operate the mining business as a standalone profit centre at one end and integrate to create incremental cumulative value. At Shree Ganesh Jewellery House, we entered into a joint venture with a reputed refiner that increased our access to Dore bars and then sought mining rights in Africa, which can potentially make us an ore producer.

Take the renewable energy business as another instance. In an increasingly complex world, scale alone is not a guarantee of a superior discounting on the capital markets and a higher market capitalisation. An increasing number of analysts feel that the business of jewellery manufacture is essentially one of conversion, where the gold bars are transformed into another form (jewellery) with no guarantee whether the profits of one year will be higher than in the previous one. Our extension into the business of renewable energy (through a subsidiary) will address this issue; as this business scales, the quantum of predictable annuity income – and corresponding tax breaks - will serve as a core foundation that can be reinvested to grow that business without recourse to the parent company's financials or take the business of gold loan financing. In the last few years, we have had an increasing instance of people coming to us to pledge their gold holdings and seek loans against them, largely on account of the trust inspired by our longstanding presence in the business. During the financial year under review, we took a cue from these instances and extended to the organised business of gold loan financing. The business is attractive for some valid reasons: the loan amount is more than covered by the quantum of collateralised gold; the short loan tenures make it possible to generate a superior IRR. At Shree Ganesh Jewellery House (I) Ltd., we see

The Company intends to build 2,00,000 sq. ft of retail space with an incremental 100,000 sq. ft in just a single year (2013-14) and an incremental 1,00,000 sq. ft over the next few years.

a synergy between our extensive retail presence and gold loan financing, the benefits of which include a widespread presence translating into enhanced reach and brand visibility, drawing in a large number of clients.

Then there is the core business of jewellery manufacture. For years, we have been respected as a jewellery manufacturer with captive design capabilities. Gradually with gold prices rising, we recognised the dangers of a business model that focused largely on handcrafted jewellery manufacture. Proactively, the Company embarked on a strategic broadening of its product portfolio towards light-weight Italian jewellery where even as the products continued to be aesthetic, the reduced proportion of gold in them helped enhance their appeal and affordability. There is another element to the product broad-basing (and hence de-risking); the Company will seek to grow its exposure in the rapidly-growing segment of fittings (hooks, lobster-locks) for captive and merchant applications, servicing the growth of the overall jewellery sector with machined accessories.

Then we come to the business of branded jewellery retail. We entered this business segment in 2007 through relatively small-sized retail stores not exceeding 500-700 sq. ft. However, something transpired thereafter; as jewellery retail became increasingly popular, consumers gravitated to larger stores that provided wider choice and helped covert consumer intent to offtake faster than the relatively smaller outlets. At Shree Ganesh Jewellery House (I) Ltd., we are convinced that the future belongs to the larger stores, especially in urban India. The Company intends to build 2,00,000 sq. ft of retail space with an incremental 100,000 sq. ft in just a single year (2013-14) and an incremental 1,00,000 sq. ft over the next few years. Interestingly, this will not just be an incremental space play; each showroom will be spread across no less than 10,000 sq. ft; each store will be centrally located in prominent cities and each store will be stocked with an extensive repertoire drawn from the Company's Domjur factory.

Uniqueness

At Shree Ganesh Jewellery House (I) Ltd., we see ourselves emerging as a unique global sectoral player in a couple of years when the efficiency of our business model becomes increasingly evident.

The Domjur factory has provided the necessary foundation to scale the Company's growth for the next few years without the need to make another large investment.
This scale will be increasingly used to provide the Company with an adequate inventory of finished jewellery that will adequately stock the Company's large retail outlets. The larger quantum of gold required to sustain the Company's operations will be derived from captive mining as the latter scales progressively over time. The increased brand exposure will translate into a larger scope for the gold loan financing business. Besides, the wind energy generation business will be largely independent of the Company's Balance Sheet and will continue to grow using its cash flows and leverage.

Overall impact

What every shareholder would need to know is the contextual relevance of our business model.

India is the second largest gold importer (surpassed just last year by China) and one of the largest gold jewellery owners in the world,. As income rises, disposable surpluses increase and aspirations evolve, we expect that this skew will correct. However, we are also convinced that the skew will correct only if there is adequate supply available to plug the gap. At Shree Ganesh Jewellery House (I) Limited, our objective is to be the proactive first-mover in specific segments and to be the first Company to cover the entire chain, putting us in an attractive position to capture the largest slice of the value chain following every demand upturn.

Interestingly, in India, the opportunity will not just be in the simple increase in demand and our ability to service it. The opportunity will also come from a progressive movement towards product standardisation in a country where the business is significantly unorganised. As we demonstrated high scale of standardisation in our retail and manufacturing businesses, we expect that this will graduate us into a trustmark that translates into a premium in our realisations. It is this combination of volume and value that we expect will translate into enhanced value in the hands of those who are associated with our Company.

With warm regards,

Nillesh Parrekh
Chairman

Our business model

Shree Ganesh Jewellery House (I) Limited went into business at a time when its operating segment in India was largely unorganised. The Company was created with the vision to inspire stakeholder trust through credible action.

- **Mining:** The backward integration into gold mining through a collaboration with a Ghana mining company will make it possible to procure raw gold (Dore gold bars) and reduce the Company's dependence on banks for the same.

- **Jewellery manufacture:** The Company reinforced its jewellery manufacturing business (handcrafted and machined) through relevant investments across infrastructure, people and equipment.

- **Retail:** The Company addresses an evolving need to buy readymade jewellery from organised brands with corresponding trustmark assurances. The number of retail stores (46 in 2012-13) are expected to increase to 66 in 2013-14 with an aggregate coverage of 2 lac sq. ft.

- **Solar energy:** The Company possessed an aggregate 30 MW in solar energy across two locations and likely to scale to 65 MW in 2013-14 (across Rajasthan, Gujarat, Bihar, Orissa, Tamil Nadu and Andhra Pradesh) and a projected 500 MW in five years.

- **NBFC:** A subsidiary of the Company received a license from RBI to enter the gold loan business. The Company rolled out 28 stores in 2012-13 and expects to achieve a loan book size of ₹125 crore in 2013-14

- **Bullion trading:** The Company entered into an agreement with the National Spot Exchange for trading online with customers and generating brokerage income.

- **Refining:** The Company's refining capacity (35 TPA) processes old gold jewellery, and Dore bars.

Geographic focus

Shree Ganesh Jewellery House (I) Limited is a global company originating in India and operating in and out of India. The Company imports 98% of its raw materials. It generates 81% of its revenues from exports. The Company leverages its Indian location for low operating costs and access to trained manpower (design and manufacture).

Product selection

Shree Ganesh Jewellery House (I) Limited selects to manufacture products around select criteria – the intended product must address distinctive downstream lifestyle trends and possess synergic characteristics that make it possible to achieve the highest quality standards at the lowest cost in the shortest time across the widest number of designs translating into the highest price-value proposition.

Space selection

Shree Ganesh Jewellery House (I) Limited selects to manufacture products that address either large moderately-growing spaces (handcrafted jewllery) or nascent fast-growing applications in large downstream spaces (light-weight jewellery). The Company addresses these opportunities either through the most competitive price-value proposition or customised product manufacture that takes the business of its wholesale customers ahead.

Status and scale

Shree Ganesh Jewellery House (I) Limited selects to enter niche business spaces providing it with the scope and space to emerge among the largest manufacturers in the world. This scope is then corresponded by proactive investments in capacities, which provide downstream customers with the confidence that the Company would be able to provide adequate material to service their growing needs. In turn, this investment in capacity provides the Company with attractive economies-of-scale leading to competitive manufacture. For instance, the Company has selected to invest and grow its gold processing capacity from 100 TPA in 2013 to 200 TPA in 2015, which, going ahead, will enable the Company to stoke incremental demand on the one hand and facilitate lower costs and enhanced competitiveness on the other.

Integration

Shree Ganesh Jewellery House (I) Limited's business model is pegged around aggressive integration where one function or product serves as the raw material for another. The extension of this integration – mining to NBFC - makes the Company unique within its sectoral space in the world. The Company's entire product basket has been prudently structured with an inbuilt interdependence. The result is that products are either consumed within, to manufacture downstream products, or marketed directly to customers. The captive manufacture makes it possible to provide customised products of the right quality at a cost considerably lower than what it would have cost the Company to procure, without the need to inventorise. Besides, this makes it possible for the Company to deliver products to customers at competitive prices. The Company selected to enter the mining sector to service its refining capacity; its refining capacity provides raw material for jewellery manufacture; its jewellery manufacture provides inventory for branded retail; its branded retail business provides visibility for the NBFC business.

Asset-light

The Company entered into a joint venture with Societa Aretina Lavorazione Preziosi Spa (SALP), an Italian Jewellery giant, for technological advancement in light-weight jewellery manufacture. The increasing price of gold increased the demand for light-weight jewellery. The manufacturing unit for light weight jewellery was set up in Domjur, West Bengal, with a capacity of 20 tonnes per year.

Looking ahead, the Company plans to enter into more such joint ventures, and enter the Chinese markets with attractive potential.

Annuity

Shree Ganesh Jewellery House (I) Limited selected to broadbase its revenue mix – from conversion income (gold bars into jewellery) to annuity income (renewable energy); from manufacturing income to service income (retail and NBFC). The result is that the proportion of revenues derived from jewellery manufacture is expected to moderate from 100% in 2009-10 to a projected 85% in 2013-14.

Synergy

Shree Ganesh Jewellery House (I) Limited is likely to be engaged in five businesses in 2013-14 compared with only one about five years ago. Over the years, the Company selected to grow its portfolio in synergic products where its intensive understanding of the product and process was leveraged (and in some instances leverage existing relationships) to acquire a larger share of the customer's wallet. The result is that 15% of the Company's revenues in 2013-14 are likely to be derived from products that did not even exist in the Company five years ago.

Customer focus

Shree Ganesh Jewellery House (I) Limited has two growth options - add a significant number of customers to grow topline or focus on increasing sales to existing customers thereby accounting for a higher share of the customer wallet. The Company has selected to work with credible customers with a growing appetite for not just the Company's existing products but with the potential to buy a wider range of similar products. The result is reflected in the virtual absence of credit defaults and customer attrition.

Aggressive investments

At Shree Ganesh Jewellery House (I) Limited, we believe we will endure on account of our strategic long-term investments which will result in progressive investments in capacity, people and technologies even during weak economic cycles. For instance, the Company invested ₹135,015 lac between 2008-09 and 2012-13, generally considered as the most challenging the world over. This investment accounted for 610% of the Company's gross block at the close of 2012-13 with the majority of the Company's revenues derived from the Middle East and Far East, two of the most affected areas by the global economic slowdown.

Financial discipline

Shree Ganesh Jewellery House (I) Limited recognises that the most credible foundation is a robust balance sheet. The Company's interest coverage ratio of 2.26 represents adequate balance between the Company's ability to drive growth on the one hand and provide attractive shareholder returns on the other.

The tangible results of our business model

- As an extension of this long-term philosophy, the Company's revenues and profits are progressively growing: Revenues from ₹437,465.77 lac in FY06-FY09 to ₹24,01,128.69 lac in FY10-FY13; the Company's profit after tax from ₹28, 165.80 in FY06-FY09 to ₹98,224.98 lac in FY10-FY13.
- International revenues increased from ₹2,13,187.72 lac in 2008-09 to ₹7,49,131.52 lac in 2012-13.

Managing Director's review

Q: Were you happy with the Company's working during the year under review?

A: We were pleased with the Company's working even though if you compare the numbers of the two years – PAT of ₹ 25,380.16 lac in 2012-13 compared with ₹29,358.36 lac in the previous year – one may feel disappointed. What shareholders will need to recognise is that we sustained our performance in the face of a number of challenges: sluggish global environment, volatile market, unpredictable consumer behaviour and changes in India's gold import duty.

Q: What were some of the positives that the Company emerged with in 2012-13?

A: Shree Ganesh responded with entrepreneurial excellence at a time of financial stress.

- Even as we were worried about whether the market would be able to consume additional gold – and at retrospective levels - the Company commissioned a large integrated factory at Domjur in September 2012 with a consolidated capacity to process 55 tonnes a year.

- The Company made a significant backward integration into gold mining by accessing raw gold (Dore gold bars) from Ghana which, when coupled with the Company's captive refining capacity, will help moderate the Company's dependence on supplies from banks.

Q: How did the Company perform in its core business of hand-crafted jewellery manufacture?

A: The Company reported a robust processing throughput during the year under review. The segment addressed growing demand in the Middle East and Far East and revenues from this segment reported a 13.57% increase during the year under review. Despite a consumption slowdown the Company's performance, it indicated the strength of its brand in the markets of its presence. Even as margins declined following a rise in gold prices, we are optimistic for the following reasons: the core customer segment continues to buy handcrafted gold jewellery and the bankers funding the Company's growth continue to support the business.

India has 400,000 jewellery shops and the size of the country's jewellery market is estimated at ₹400,000 crore. Only 8% of this market is presently organised.

- Umesh Parekh

Q: How would you appraise the Domjur expansion? What will it achieve for the Company?

A: The Domjur expansion is expected to progressively emerge as the game-changer in the Company's existence for some obvious reasons.

One, the Domjur factory is our most decisive initiative towards bringing together unique unorganised local capabilities on the one hand and technological excellence on the other. I can state that this is probably the first-ever attempt at showcasing Bengal's embedded excellence in handcrafted jewellery around a technological foundation, which will have significant implications.

Two, the Domjur facility represents an initiative to bring all facilities, competencies and products under one consolidated roof. The result is that we will now be able to provide the services of hand-crafted manufacturing, refining, Italian jewellery and casting jewellery as well as, reinforce our managerial and operational bandwidth.

Three, the Domjur expansion will serve as a foundation for the Company's extension into the inventory-intensive retail business. The facility possesses a processing capacity of 20 tonnes and we expect that 100% of our retail stock will be derived from within. Besides, our light-weight business component will account for a considerable share of our capacity. The result is that given the prevailing throughput, we expected to report a capacity utilisation of 60% in 2013-14, which is a fair achievement for a plant in its first full year of operation.

Q: The Company made a significant extension into the manufacture of light-weight jewellery. How did this segment perform during the year under review?

A: There is a growing demand for Italian light-weight jewellery the world over, especially following the sharp increase in gold prices in the last few years. Even as the preference for the yellow metal continues to exist, there has been a trend in moving away from the higher-priced to the affordable segment. The Company has a definite strategy to address this segment: last year, China emerged as the world's largest gold importer which was a clear result trickle-down of the rising incomes and aspirations in that country. Starting 2013-14, the Company aims to penetrate the Chinese market with light-weight jewellery products.

Q: A number of shareholders would be keen to know how the Company expects to grow its jewellery retail business?

A: India has 400,000 jewellery shops and the size of the country's jewellery market is estimated at ₹400,000 crore. Only 8% of this market is presently organised. However, the rate of growth of the country's jewellery market is faster than the growth of the unorganised segment, which indicates that the country has touched an inflection point where brand, standardisation, purity and access will catalyse the growth of the organised retail segment.

At the start of the financial year under review, there were 46 small stores (not exceeding 1,500 sq. ft); the largest was its Nariman Point store covering 5,000 sq. ft. However, the Company recognised that the retail marketplace was evolving in to larger stores in excess of 8,000-10,000 sq. ft each. The result is that the Company has embarked on the strategy to increase its retail coverage by a significant 40% in a single year, comprising 20 mega-outlets of 10,000 sq. ft each leading to

10 lac sq. ft of retail coverage in about four years. These retail outlets will be owned in nature and not franchised or rented. The Company intends to invest ₹150 crore in branding to enhance awareness of the GAJA brand under which the expansion will be conducted.

Besides, the Company expects to increase the studded non-gold proportion of our total inventory from 15% to 40%, which will strengthen margins and widen the consumer basket.

Q: The big question is that in the midst of a troubled industry environment, how did the Company de-risk itself financially?

A: The Company recognised that in an industry environment marked by volatile gold pricing, sustainable success would be best achieved through back-to-back purchases of gold following the conclusion of sales contracts. This is something that the Company has been practicing for years and was vindicated during the year under review when there was a large swing in gold prices. This ensured that we did not carry gold inventories for our core business, insulating us completely from price swings in the marketplace.

The challenging year under review presented a number of other challenges. For instance, there were occasions when large gem and precious metal suppliers encashed bank guarantees of their clients resulting in a payments crisis for the Company and this extended to other parts of the trade. At Shree Ganesh Jewellery House (I) Limited, we have always selected to work with a number of small suppliers with relatively limited guarantee exposures, protecting us from the possibility of large guarantees being invoked without corresponding collateral.

More importantly, the Company's treasury team ensured a credible asset-liability match at all times; the Company possessed adequate bank balances to cover projected payment schedules; besides the Company interacted periodically with suppliers, which resulted in a shared understanding on liquidity and payment schedules. As an extension of this de-risking, the Company worked with credible and longstanding customers. Besides, it managed prudent exposures across customers with an ongoing check on customer credibility, in a challenging marketplace. The Company also tightened filters when appraising retail franchisees and the vindication of this tightly controlled approach was that the Company did not suffer any bad debts during the year under review against a consolidated ₹1,297,251.19 lac worth revenues – and without a corresponding need to write-off either.

Q: Where does the Company expect to go in 2013-14?

A: The year 2013-14 is expected to be a watershed year for the Company for some pertinent reasons – we expect to report the first full year of working at our Domjur unit, we expect to engage in an aggressive retail push, expect to grow our NBFC gold loan financing book to ₹50,000 lac in the coming years and we expect to start deriving the benefits of our backward integration in gold mining. The result is that the year under review represents a maturing of the Company's business, which began from standalone jewellery manufacture and now comprises five different businesses under one company. As a result, we expect our various initiatives to translate into a 40-45% growth in revenues (assuming steady gold prices) translating into enhanced value for those who own shares in our Company.

Sincerely,

Umesh Parekh
Managing Director

Business segments

Mining

The Company entered into a strategic tie-up with miners in Ghana through a 100%-subsidiary to procure Dore gold bars (unrefined, with 80-95% gold content). The business did not account for any revenues in 2012-13.

Refining

The Company's refining capacity (35 TPA) processes old gold jewellery.

Handcrafted jewellery

At Shree Ganesh, hand-crafted jewellery design is customised, leveraging the native skills of West Bengal's craftsmen. The capacity of Manikanchan SEZ (Kolkata) plant is 42 tonnes per year.

Light-weight jewellery

The Company entered into a joint venture with SALP, an Italian jewellery giant, for acquiring knowhow regarding light-weight jewellery manufacture. The increasing price of gold increased the demand for light-weight jewellery among the masses. The Domjur facility possesses a capacity to process upto 20 tonnes per year.

Retail

The Company possesses a network of 46 retail stores across India (GAJA Brand) in Kolkata, Mumbai, Gurgaon, Amritsar, Chandigarh, Rajkot, Ahmedabad, Ghaziabad and Ludhiana among others. The average size of outlets is 1,000-1,500 sq. ft, the largest retail outlet being at Nariman Point in Mumbai. After

The Company possesses a network of 46 retail stores across India (GAJA brand) in Kolkata, Mumbai, Gurgaon, Amritsar, Chandigarh, Rajkot, Ahmedabad, Ghaziabad and Ludhiana among others.

receiving an encouraging response, the Company plans to expand its retail presence through 20 large stores (approximately 10,000 sq. ft each) across India. The new stores will be owned and operated by Shree Ganesh Jewellery House (I) Ltd. The forward integration is a part of the Company's vision to widen its presence across Tier-I and Tier-II cities.

NBFC

At Shree Ganesh, gold loan financing is undertaken in the NBFC segment, through a 100%-subsidiary Veeyu India Private Limited. The rationale for entering this segment was the secured nature of the gold loan financing business and its synergy with existing operations. The Company is the first jeweller to offer such a facility, creating a first-mover's advantage. The Company disbursed loans worth ₹14 crore in 2012-13 across 28 branches pan-India. It plans to increase the number of branches to 100 pan-India and disburse loans worth ₹500 crore annually in the coming years.

Solar power

The Company entered the business of solar energy generation through joint ventures with the Gujarat and Rajasthan governments, marketing power for 25 years. In turn, the Company signed a contract with an O&M agency to generate power backed by a non-performance guarantee. During the year under review, the Company embarked on building a power plant in Bihar (5 MW), Andhra Pradesh (10 MW), Tamil Nadu (10 MW) and Orissa (10 MW), which will go commercially on stream in 2013-14.

Strengths

- **Rich experience:** The Company's promoters possess the experience of seven generations in jewellery manufacture. The existing management has transformed an unorganised operating structure into a modern professional organisation.

- **Manufacturing capabilities:** The Company has selected to commission its manufacturing facilities in West Bengal, the hub of jewellery craftsmen within India. The locations enjoy international connectivity and tax incentives. Besides, the Company leverages an attractive wage arbitrage wherein its labour cost is a tenth of that in developed countries.

- **Design strength:** The Company has a dedicated design team comprising designers who keep pace with the evolving market trends and provide exclusive customised fashionable designs. This makes it possible for the Company to comprehend emerging trends and deliver customised contemporary designs in the shortest time to market.

- **Customer-centricity:** The Company's biggest asset is enduring customer trust; 55% of the Company's 2012-13 income was derived from customers who had been buying from the Company for more than three years. The Company's products are benchmarked to international standards and 81% of the Company's products were sold globally in 2012-13.

- **Diversified portfolio:** The Company's provides a wide product range (rings, earrings, pendants, bracelets, necklaces, bangles and other gold articles in plain gold or studded variants) with design elements like plain gold sets, gold Bengal antique sets, jadau kundan sets, gold Mumbai-Rajkot antique sets, gold and studded bangles, polki chakri sets and Italian fusion light-weight sets. The result is an ability to service diverse customer needs at a single point.

- **Strong brands:** The Company's brand bouquet extensively comprises GAJA Gold (designer jewellery for all occasions), Gold Bridals (bridal collections), G Elements (men's gold accessories), Mari Gold (light-weight jewellery), Sitaare (children), YOU (18k diamond heart collection), DISTAR (studded gold jewellery export) and GM Gold (one gram gold), among others.

- **Strong supplier relationship:** The Company maintains long-term relationships with gold suppliers, thereby enhancing raw material security and purchase economies. Nearly 76% of the Company's suppliers had been working with the Company for more than three years towards the close of 2012-13.

- **Strong financials:** The Company's order book stood at around ₹3,000 crore at the end of the financial year 2012-13, providing an attractive revenue visibility.

- **Scale:** The Company is the largest manufacturer of handcrafted gold jewellery and one of the largest exporters of machine-made gold jewellery in India.

- **Retail:** The Company had 46 retail outlets as on 31st March 2013 with plans to set up 20 more such retail outlets in 2013-14.

- **Brands:** The Company owns 11 brands comprising GAJA, GAJA Lites, GAJA Diamond, GAJA Gold, GM Gold and YOU, Mari Gold, Gold Bridals, Sitaare, G Elements, DISTAR.

Corporate Social Responsibility

Shree Ganesh Jewellery House is engaged in a business where it provides a livelihood to more than 500 artisans at the grassroots level and hope to other societal stakeholders.

Education

- The Company is committed towards the upliftment of jewellery artisans. It is engaged in opening an integrated jewellery education institute along with the Gems and Jewellery Export Promotion Council to impart technical knowhow to poor artisans, resulting in skill development and income generation.

Health and social welfare

- The Company organised free health check-up camps at Manikanchan SEZ in 2013.

- The Company is engaged in cancer awareness and treatment initiatives; Chairman Mr. Nillesh Parrekh is a patron for the Indian Cancer Society

- The Company has associated with CRY, an NGO working for the restoration of child rights; a part of the proceeds of every GAJA product is donated to CRY.

- In his personal capacity, Chairman Mr. Parrekh is associated with underprivileged schools; he was part of a special project for the blind and disabled with the Kolkata Police.

Sports

- GAJA sponsored Hope Cup, a golf tournament organised by the Indian Institute of Cerebral Palsy and Tollygunge Club.

Environment

The Company is engaged in enhancing awareness about environment conservation and implementing community-based projects in the area of energy conservation and pollution reduction. The Company entered the business of renewable energy generation and expects to commission an aggregate 65 MW by the close of 2013-14. The Company planted trees across an area of 100,000 sq. ft at its Domjur plant.

Cancer Awareness Camp at Manikanchan SEZ

Free Health Check up Camp at Manikanchan SEZ

Risk management

Organisations that succeed do so because they are able to optimise the risk and reward equation across strategic and operational issues.

• Any slowdown in the global economic market could impact jewellery offtake

Mitigation: India accounts for nearly a third of the global demand for gold. Over the last decade, gold demand in India increased outpacing the country's real GDP. This indicates that fascination for gold is likely to be enduring. This is best reflected in the huge demand for gold when the price of gold declined to around ₹26,000 (10 grams) in the first quarter of 2013-14.

• Increase in raw material costs

Mitigation: The Company enjoys long-term relationships with major raw material suppliers which results in the raw material availability. The Company was nominated under the Foreign Trade Policy which proved advantageous as the Company could import precious stones and metals without any intermediary costs. The Company integrated backwards into gold mining through alliances with miners in Ghana to procure raw gold (Dore gold bars). Besides, the Company entered the business of light-weight jewellery which uses less gold and is less sensitive to increases in raw material costs.

• The labour-intensive business of jewellery retail involves specialised competencies that differ from other manufacturing sectors.

Mitigation: From a retail perspective, the Company has 46 outlets in India and 11 brands; the Company is growing its retail presence to strengthen competitiveness. The Company has selected to generate 80% of its revenues from exports, escaping domestic competition. The Company has selected to invest in differentiated designs (developed manually and through sophisticated CAD and CAM software) resulting in an annual pipeline of 10,000 designs.

• Currency volatility could affect earnings

Mitigation: Nearly 81% of the Company's revenues were derived from exports in 2012-13 and 98% of its raw materials were imported, creating a hedge. Since exports exceeded imports, a weakening rupee tended to benefit the Company's margins.

Management Discussion & Analysis

Economic overview

Global economy: Growth of the world economy weakened considerably during 2012 and is expected to remain subdued for the next two years. The global economy growth hovered around 3.2% in 2012, lower than 2011 (3.9%), on account of the eurozone crisis, inflation and market volatility. The United States, the largest economy globally, posted better numbers (2.3% in 2012 against 1.8% in 2011). The eurozone reported a negative growth of 0.4% and China's growth slowed from 9.3% to 7.8%. The global economy is expected to mend gradually in 2013, projected to grow at 3.3% in 2013 and at 4% in 2014. The emerging developing economies are expected to drive global growth in 2013 (around 5.25% in 2013 and 5.75% in 2014). *(Source: IMF, World Economic Outlook, April 2013)*

World output (%)

	2010	2011	2012	2013 (P)	2014 (P)
World output	5.2	3.9	3.2	3.3	4.0
Advanced economies	3.2	1.6	1.3	1.2	2.2
Emerging economies	7.3	6.3	5.1	5.25	5.75

(Source: IMF, World Economic Outlook, April 2013)

Indian economy: The Indian economy grew a sluggish 5% in 2012-13. India is expected to record 6.1% GDP growth in 2013-14 and the growth is expected to increase further to 6.7% in 2014-15 *(Source: World Bank)*.

Global jewellery industry

In 2012, the annual global gold demand recorded an all-time high of US $236.4 billion. On a tonnage basis, demand totalled 4,405 tonnes. India and China together accounted for more than 50% of the total demand. Apart from the traditional sources of demand such as jewellery, technology and investment, in the last few years central banks have emerged as an important source of demand. The global economic stress seems to have prompted central banks in several countries to accumulate gold and diversify their foreign exchange reserves *(Source: World Gold Council)*.

The gold demand in the second quarter of 2012-13 was 990 tonnes, down 7% during the second quarter of 2011 and 10% below the previous quarter. Looking at the first half of the year, the demand of 2,090.8 tonnes was down by 5% from the previous year and 14% above the 5-year average of 1,828.7 tonnes. Q2 gold demand was worth US$ 51.2 bn in value terms, representing a marginally weaker y-o-y growth.

Global gold demand and supply (in tons)

	2011	2012'	Q1 '11	Q2 '11	Q3 '11	Q4 '11	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q4 '12 vs. Q4' 11 % chg	4-quarter % chg2
Supply												
Mine production	2,835.6	2,847.7	660.9	711.3	742.1	721.3	662.6	706.2	743.7	735.2	2	0
Net producer hedging	11.3	-20.0	9.7	12.5	2.6	-13.5	-2.0	-8.7	0.6	-9.9	-	-
Total mine supply	2,846.9	2,827.7	670.6	723.7	744.7	707.8	660.6	697.5	744.3	725.3	2	-1
Recycled gold	1,668.5	1,625.6	358.2	413.9	468.5	427.9	382.5	387.5	447.7	407.9	-5	-3
Total supply	4,515.4	4,453.3	1,028.8	1,137.6	1,213.2	1,135.7	1,043.1	1,085.0	1,192.1	1,133.2	0	-1
Demand												
Fabrication												
Jewellery	1,972.1	1,908.1	569.7	499.2	471.8	431.4	504.3	426.3	491.6	485.9	13	-3
Technology	4,52.9	428.2	115.5	118.7	115.2	103.5	108.8	109.8	108.7	100.9	-3	-5
Sub-total above fabrication	2,425.0	2,336.3	685.3	617.9	587.0	534.9	613.1	536.0	600.3	586.8	10	-4
Total bar and coin demand	1,515.4	1,255.6	402.6	337.1	417.1	358.5	348.2	288.2	282.6	336.6	-6	-17
ETF's and similar	185.1	279.0	-60.8	54.1	87.4	104.4	53.2	0.0	137.8	88.1	-16	51
Central bank net purchases	456.8	534.6	136.9	66.2	140.8	112.8	115.2	161.4	113.0	145.0	29	17
Gold demand	4,582.3	4,405.5	1,164.0	1,075.3	1,232.2	1,110.6	1,129.7	985.6	1,133.7	1,156.5	4	-4
OTC investment and stock flows	-66.9	47.8	-135.1	62.3	-19.1	25.1	-86.6	99.3	58.4	-23.3	-	-
Total demand	4,515.4	4,453.3	1,028.8	1,137.6	1,213.2	1,135.7	1,043.1	1,085.0	1,192.1	1,133.2	0	-1

(Source: World Gold Council)

China: Affected by the European sovereign debt crisis and sluggish economic development in 2012, jewellery demand grew slowly, influencing the Chinese jewellery industry. In 2012, the sales volume of China's jewellery industry grew only by 19% year-on-year compared to 40.7% in 2011.

Middle East: There was a drop in gold sales in Saudi Arabia in 2012-13, which helped the UAE regain its number one ranking as the largest gold market in the Middle East. According to the UAE Commerce Ministry, gold was the top non-oil export item from the country grossing $21.6 billion in the first nine months of 2012, while imports rose 13% to $28.9 billion followed by diamonds at $8bn, cementing the position of the country as the principal hub of gold and gem trading and distribution.

USA: Gold jewellery demand in the US recorded its first year-on-year increase since the Q3 of 2005, the rate of decline having slowed markedly in the second half of 2012. While the top-end of the US jewellery market was relatively impervious to the economic hardship, the mass retail and lower-end of the market suffered considerably. Declining demand was indicative of a weak consumer sentiment against a background of relatively high unemployment, falling real wages and rising gold prices.

India: The consumption of gold and jewellery products grew 10-15% per annum over the years; the Indian market is estimated at US$ 30 billion. India boasts of a very competitive gems and jewellery market because of its low production cost, skilled artisans, government incentives and establishment of special economic zones (SEZs). India and China are expected to account for 30% of the global diamond market by 2015. India's gems and jewellery sector is expected to grow at a CAGR of around 16.26 % between 2011-12 and 2016-17 on account of increasing government efforts and incentives coupled with private sector initiatives (*Source: Ministry of Commerce & Industry*). The shipment of gems and jewellery makes up about 14% of India's total exports, and the sector employs about 3.4 million workers, with the Middle East taking most of the market (*Source: Indian Brand Equity Foundation-IBEF*). The overall demand of gold in the country was 986.3 tonnes in 2011, which dipped by 12% in 2012 to 864.2 tonnes mainly on account of higher import duties, jeweller's strike over proposed measures to curb imports and a sharp rise in the domestic prices (*Source: The Economic Times*). Imports declined by 21.125% in 2012. Imports in India touched 800 tonnes compared to 969 tonnes a year earlier.

NET INDIAN EXPORTS OF GEMS & JEWELLERY

ITEMS	April 12 – March'13 (Provisional)		April 11 – March'12 (Same ports as current year)		% Growth/decline over previous year	
	₹ in crore	US$ in million	₹ in crore	US$ in million	₹	US$
Cut and Polished diamonds (Quantity in lakh carats)	94,675.12 349.05	17,418.23	110,926.77 517.80	23,318.94	-14.65	-25.30
Gold jewellery – D.T.A SEZ/EPZ (Including gold jewellery and gold medallions and coins)	12,932.53 86,920.10	2,380.49 15,905.37	10,838.34 69,911.67	2,265.76 14,519.44	19.32 24.33	5.06 9.55
Total	99,852.63	18,285.86	80,750.01	16,785.20	23.66	8.94
Coloured gemstones Silver jewellery Others*	3,533.86 5,026.53 155.06	651.27 922.46 28.41	1,647.20 3,677.23 133.77	341.49 759.42 27.95	114.54 36.69 15.92	90.71 21.47 1.65
Net exports	203,243.21	37,306.23	19,7134.99	41,233.00	3.10	-9.52
Exports of rough-diamond (Quantity in lakh carats) Others	8,592.04 352.35 803.65	1,579.34 147.73	8,513.72 339.27 431.39	1,772.43 88.93	0.92 3.85	-10.89
Total exports	212,638.89	39,033.30	206,080.09	43,094.36	3.18	-9.42

(*Source: GJEPC*)

India is one of the fastest growing economies. The Indian middle-class is expected to reach a population of 600 million by 2030.

Government initiatives

- FDI up to 74% is allowed under the automatic route for exploration and mining of diamonds and precious stones. Further, 100% FDI is allowed for exploration and mining of gold and silver and minerals other than diamonds and precious stones, metallurgy and processing, among others.

- In the Union Budget 2013-14, the government reduced the basic customs duty on pre-forms of precious and semi-precious stones (other than diamonds) from 10 to 2%.

- A duty-free limit on import of jewellery under the baggage rules increased to ₹50,000 (US$ 924.28) in case of male passengers and ₹100,000 (US$ 1,847.9) in case of a female passengers (subject to conditions) from March 2013.

- Import duty on gold was raised to 8%. Gold import duty has been hiked from 2% to 8% in the past two years (*Source: Business Standard*).

Key industry drivers

- Purchasing power parity: India is one of the fastest growing economies. The Indian middle-class is expected to reach a population of 600 million by 2030. If the current trends continue, the PPP is set to increase from 4.7% to 6.1% of world share. With a rise in the middle class and the PPP, there will also be a shift in consumption of consumers from basic products to aspirational products like gems and jewellery.

- Declining costs: Due to the economic downturn, the cost of labour and infrastructure has declined.

- Organised sector: The organised and branded sector is growing as customers become more quality conscious.

- Falling raw material cost: The cost of gold has declined; HSBC cut its 2013 gold price forecast to $1,542 per ounce (₹2,693.43 per gram) from $1,700 (₹2,969.40 per gram) and the 2014 price outlook to $1,600 per ounce (₹2,794.48 per gram) from $1,720 (₹3,004.17 per gram)(*Source: BusinessWorld*).

STATUTORY SECTION

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the eleventh annual report of the Company, together with the audited statement of accounts for the year ended 31st March, 2013.

1. Financial Results

(₹ in lacs)

For the year ended 31st March	2013	2012
Revenue from Operation	9,22,226.92	6,59,361.26
Other Incomes	10,286.26	8,053.07
Total revenue	9,32,513.18	6,67,414.33
Profit before interest, depreciation, and tax	48,188.31	44,619.02
Less: Depreciation/amortization	2,329.57	2,239.10
Less: Interest and finance charge (Net)	20,251.18	12,649.80
Profit before tax	25,607.56	29,730.12
Provision for taxes	227.40	371.76
Profit after tax	25,380.16	29,358.36

2. Dividend:

Keeping in view the growth made by the Company and the shareholder support received, your Directors are pleased to recommend a dividend at the rate of 30% i.e, ₹ 3 per share of ₹ 10 each on the equity share capital of the Company as on the date of the book closure. The dividend, if approved by the shareholders will be paid to those members whose names appear on the Register of Members on 30th August 2013.

3. Operations:

The Company's revenue from operation were ₹ 9,22,226.92 lacs for the year ended 31st March, 2013 as compared with ₹ 6,59,361.26 lacs for the previous year. Thus, there has been an increase in turnover of 39.87 %. The Company's profit after tax was ₹ 25,380.16 for the year ended 31st March, 2013.

4. Subsidiary companies:

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

5. Change of Name

The Company vide special resolution passed on 17th November, 2012 by the shareholders through postal ballot conducted pursuant to Section 192A of the Companies Act, 1956 has changed the name of the Company to Shree Ganesh Jewellery House (I) Ltd.

6. Changes in the Capital Structure

As of 31st March, 2013, the authorised share capital of the Company was ₹ 1,95,00,00,100 divided into 11,50,00,000 Equity Shares of ₹ 10/- each and 26,66,667 Cumulative Convertible Preference Shares of ₹ 300/- each and the issued, subscribed and paid up share capital was ₹ 64,82,64,850/- divided into 6,48,26,485 equity shares of ₹ 10 each. During the year under review, the Company has allotted 41,44,000 equity shares of ₹ 10/- each on preferential basis to the promoters/promoter group, at a price of ₹ 150/- per share.

The Company has passed the special resolution vide postal ballot on 21st May, 2013 for further allotment of 58,00,000 equity shares of the Company to the promoters/promoter group. With the said allotment, the paid-up capital of the Company will stands increased to ₹ 70,62,64,850/- divided into 7,06,26,485 fully paid up equity shares of ₹ 10/- each.

7. Human resources:

The Company has always attached maximum importance for development of human resource, the vital asset responsible for continued success of the Company. The Company is continuously renewing and updating the knowledge and skill of its employees at all levels through training and development.

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

As on 31st March, 2013, your Company had 791 employees on its rolls. The Company continues to focus on recruitment and retention, giving priority to meritocracy and ensuring that performance is recognised and subsequently rewarded in an appropriate manner.

Your Company wishes to put on record its deep appreciation for the co-operation and efforts of its employees for the betterment of the organisation.

8.Listing of Equity Shares:

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

9. Directors' responsibility statement:

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

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

ii) That the Directors have selected such accounting policies and applied them consistently, and made reasonable and prudent judgments and estimates so as to give a true and fair view of the Company's state of affairs at the end of the financial year, and of the profit or loss of the Company for the period under review;

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the annual accounts for the period ended 31st March, 2013 on a going concern basis.

10. Particulars of employees:

Statement under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in Annexure I to this report.

11. Conservation of energy:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the financial year ended 31st March, 2013 are given in Annexure II to this report.

12. Foreign exchange:

Your Company earned foreign exchange of ₹ 7,49,131.52 lacs from gold jewellery export and suitable steps have been taken for exploring the new markets in various countries. Foreign exchange outgo and earning details appear in Item no. 36 and 37 of Notes to Accounts for the year under review.

13. Related party transaction:

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

14. Auditors:

The auditors M/s Chaturvedi & Partners retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

15. Directors:

Mr. Dwarka Prasad Mathur and Mr. Satish Chandra Chaturvedi retire by rotation and being eligible, offer themselves for re-appointment.

16. Acknowledgement:

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

By order of the Board

25A Camac Street
Kolkata- 700 016
Date: 27th May, 2013 *Chairman*

Annexure – I

To the Directors' Report pursuant to Section 217(2A) of the Companies Act, 1956 for the year ended 31st March, 2013:

A. Employed and in receipt of remuneration aggregating ₹ 60,00,000 or more:

Name	Age (yrs)	Designation and nature of duties	Gross remuneration (₹ In Lacs)	Qualification	Experience (yrs)	Date of commencement of employment	Previous employment/ position held
Mr. Nillesh Parrekh	48	Executive Chairman. Overall management of the Company under the supervision of Board of directors.	590.74	B.Com	17	01.07.2007	Nil
Mr.Umesh Parekh	47	Managing Director. Overall day to day management of the Company under the supervision of Board of directors.	590.74	B.Com	17	01.07.2007	Nil

B. Employed for a part of the year and in receipt of remuneration aggregating ₹ 5,00,000 or more per month: Nil

Notes:

1. Gross remuneration includes salary, commission, value of perquisites, medical benefits and Company's contribution to provident, superannuation and gratuity funds.
2. Both the employees hold by themselves or with his spouse and dependent children, 2% or more of the equity shares in the Company.
3. All appointments are contractual in accordance with terms and conditions as per Company rules.

Annexure – II

To the Directors' Report pursuant to Section 217(1) (e) of the Companies Act, 1956 for the year ended 31st March 2013:

FORM A

Disclosure of particulars with respect to conservation of energy

The Company is not covered by the Schedule of Industries which is required to furnish information in Form 'A'.

FORM B

Disclosure of particulars with respect to technology absorption

I. **Research and development:**
Your Company has one of the finest R&D units in the industry. The R&D team of the Company comprises some of the finest designers and senior craftsman. The Company has been instrumental in developing and introducing several widely acclaimed jewellery designs.

II. **Technology absorption, adaptation and innovation:**
The Company does not employ any foreign technology which needs absorption or adaptation.

FORM C

Disclosure with respect to foreign exchange earnings and outgo

I. Total foreign exchange earned
– ₹ 7,49,131.52 lacs

II. Total foreign exchange used
– ₹ 7,30,457.86 lacs

The Company is engaged in export of gold jewellery, plain or studded with precious and semi-precious stones. The company is taking steps to increase its product portfolio to increase its exports in the places like Singapore, Hongkong, UAE. At the same time, new markets in various countries are being tested so that new exports markets can be developed for the products of the Company.
Taking the above steps into account, the Company plans to increase its exports.

CORPORATE GOVERNANCE REPORT

I. SHREE GANESH JEWELLERY HOUSE (I) LIMITED (SGJHL)'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance deals with laws, procedures, practices and implicit rules that determine a Company's ability to take informed managerial decisions vis-a-vis its claimants – in particular, its shareholders, creditors, customers, the State and employees. There is a global consensus about the objective of "good' Corporate Governance maximising long-term shareholders value."

Thus, Corporate Governance is a reflection of a Company's culture, policies, its relationship with the stakeholders and its commitment to values. We, at Shree Ganesh, believe that sound Corporate Governance is critical to enhance and retain investor trust.

Accordingly, we always seek to ensure that we attain our performance rules with integrity.

Our Corporate Governance philosophy is based on the following principles.

- Corporate Governance standards should be complied with in letter as well as spirit
- Maintain absolute transparency and adequate disclosure practices.
- Individual preferences and convenience should be subordinate to Corporate conveniences
- Communicate externally in a truthful manner about how your Company is run internally.
- Compliance with the laws in which the Company operates.
- Simple and transparent corporate disclosure driven solely by business needs.
- Management is the Trustee of the Shareholders' fund and not the owner.

Your Company understands that the customer is the purpose of our business and every customer is an important stakeholder of the Company, performing ethically and efficiently to generate long term value and wealth for all its stakeholders.

The Company complies with Corporate Governance Code as has been enshrined in the clause 49 of the Listing Agreement.

II. BOARD OF DIRECTORS:

The Composition of the Board of directors is in conformity with Clause 49 of the Listing Agreement with the stock exchange(s). The Company's Board consists of six (6) members which comprise of:

- Two Executive Directors
- One Non- Executive Director
- Three Independent Directors

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2013

Board holds periodic meetings to review and discuss performance of the Company, its future plans, strategies and other pertinent items relating to the Company. During the Financial Year Ended March 31, 2013, 05 (Five) Board Meetings were held on May 24, 2012, August 13, 2012, November 07, 2012, January 14, 2013 and February 07, 2013. The last AGM was held on August 24, 2012.

The composition of Board of Directors, their attendance at the Board Meetings during the year and at last Annual General Meeting as also number of directorships and Chairmanships/

memberships of Committees of each director held in other companies as at March 31, 2013 is :

Sl. No.	Directors	No. of Board Meetings Attended	Attend-ance at AGM	No. of other Director-ships Held*	No. of other Memberships/ Chairmanships in Commit-tees**	Category
1	Mr. Nillesh Parrekh	05	Present	1	Nil	Promoter & Executive
2	Mr. Umesh Parekh	05	Absent	1	Nil	Promoter & Executive
3	Mr. Sharad Mohata	04	Present	Nil	Nil	Non-Executive
4	Mr. Satish Chandra Chaturvedi	05	Present	Nil	Nil	Independent
5	Mr. Pawan Singh Ingty	04	Absent	1	Nil	Independent
6	Mr. Dwarka Prasad Mathur	03	Absent	Nil	Nil	Independent

* Other Directorship does not include alternate directorship, directorship of private companies, Section 25 companies and of other companies incorporated outside India.

** Includes the Membership/Chairmanship of only Audit committee, and Share holders/ Investor Grievance Committee.

Directors at Sl. no. 1 & 2 are related to each other. Other than this, none of the other Directors are in any way related to any other Director as per Section 6 of the Companies Act, 1956.

Resolution Passed By Circulation

During the financial year 2012-13, Company has passed two resolutions by circulation on October 8, 2012 and March 30, 2013.

Code Of Conduct

In Compliance of the Clause 49, to emphasize the importance of ethical behavior and for protection of all stakeholders' interest, Code of Conduct for Directors and Senior Management laid down by the Board of Directors is posted on the Company's website. The Code of Conduct has been adopted by the Directors. Managing Director's certificate of compliance of the Code of Conduct by the Directors and Senior Management is appended.

Code of Conduct for Prohibition of Insider Trading

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992 the Board has approved and adopted a code of conduct governing all the directors, senior management and other employees at all locations of the Company, Mr. Mukund Chandak, Company Secretary has been appointed as the Compliance Officer in respect of compliance of the Code.

BOARD COMMITTEE

III. AUDIT COMMITTEE:

The Audit Committee of the company comprises of Mr. Satish Chandra Chaturvedi, Mr. Pawan Singh Ingty (Independent Directors) and Mr. Sharad Mohata (Non-

Executive Director). Mr. Satish Chandra Chaturvedi, a practicing Chartered Accountant, is the Chairman of the Audit Committee. Mr. Mukund Chandak, Company Secretary acts as the Secretary to the Committee. The role and duties of the Audit Committee have been defined by the Board of Directors under Section 292A of the Companies Act, 1956 and cover the areas mentioned under Clause 49 of the Listing Agreement (as amended from time to time).

During the year Audit Committee met 4 times on May 24, 2012, August 13, 2012, November 07, 2012 and January 14, 2013.

The attendance of members during these meetings are as follows:-

Name	24.05.2012	13.08.2012	07.11.2012	14.01.2013
Mr. Satish Chandra Chaturvedi	Present	Present	Present	Present
Mr. Pawan Singh Ingty	Present	Absent	Present	Present
Mr. Sharad Mohata	Present	Present	Present	Present

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

IV. SHAREHOLDER'S GRIEVANCE COMMITTEE:

The Shareholder's Grievance Committee is headed by Mr. Satish Chandra Chaturvedi, an Independent Director with Mr. Pawan Singh Ingty and Mr. Sharad Mohata being the other two members. Mr. Mukund Chandak, Company Secretary is the Compliance Officer. The Company constituted the Shareholder/ Investor Grievance Committee to oversee the redressal of investors' grievances.

The Committee met twice during the year viz., November 07, 2012 and February 07, 2013 which were attended by all the members of Shareholder's Grievance Committee.

In total 5 cases of Investors' Grievances were received during year 2012-13 pertaining to non-receipts of warrants/ Annual Reports/ Non-receipts of certificate(s)/credit of share(s), which were duly redressed and no Investors' Grievances was pending as at March 31, 2013.

All valid requests for transfer of shares in physical mode received during the financial year ended March 31, 2013 have been acted upon by the Company and no such transfer is pending.

V. REMUNERATION COMMITTEE

The Remuneration Committee comprises of Mr. Pawan Singh Ingty, Mr. Satish Chandra Chaturvedi and Mr. Dwarka Prasad Mathur, all Independent Directors and is headed by Mr. Pawan Singh Ingty. Mr. Mukund Chandak, Company Secretary, acts as Secretary to the Committee. During the year under review there was no meeting of the Remuneration Committee, as no revision in remuneration was considered.

Remuneration policy of the Company

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the prevailing trends in the industry. The remuneration policy is therefore market-led and aimed at leveraging the performance appropriately.

There was no pecuniary relationship or transactions between the Company and the Non-Executive Directors. Remuneration/ Sitting Fees paid to Executive/Non-Executive Directors of the Company during the financial year ended March 31, 2013 and their shareholdings are detailed as under:

Name of Directors	Sitting Fees (₹ in Lacs)	Salary & Perquisites (₹ in Lacs)	Total No. of Shares Held
Mr. Nillesh Parrekh	Nil	590.74	95,57,200
Mr. Umesh Parekh	Nil	590.74	1,01,41,300
Mr. Sharad Mohata	0.60	Nil	Nil
Mr. Satish Chandra Chaturvedi	0.75	Nil	Nil
Mr. Pawan Singh Ingty	0.60	Nil	Nil
Mr. Dwarka Prasad Mathur	0.45	Nil	Nil

VI. CEO & CFO CERTIFICATION:

As required by Clause 49 of the Listing Agreement the certificate by Managing Director and Chief Financial Officer of the Company is provided in this Annual Report.

VII. DETAILS OF DIRECTORS APPOINTED/RE-APPOINTED

Details of directors being appointed/re-appointed have been disclosed in the notice of the Annual General Meeting, i.e. brief resume, nature of expertise in specific functional areas, numbers of directorships and committee memberships and their shareholding in the company.

VIII. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Year	Venue	Date	Time	No. of Special Resolutions Passed
2010	Vidya Mandir, 1 Moira Street, Kolkata – 700 017	27.08.2010	11.00A.M	1
2011	Vidya Mandir, 1 Moira Street, Kolkata – 700 017	26.08.2011	11.00A.M.	Nil
2012	Vidya Mandir, 1 Moira Street, Kolkata – 700 017	24.08.2012	11.00A.M.	1

Resolutions passed through Postal Ballots during the year are :

1) On July 04, 2012 a Special Resolution under section 61 of the Companies Act, 1956, for time overrun and partial modification in the proposed utilisation of the proceeds of the Initial Public Offering.

2) On November 17, 2012, a Special Resolution under section 21, 16, 31 and other applicable provisions and approvals, for name change of the Company from 'Shree Ganesh Jewellery House Limited' to 'Shree Ganesh Jewellery House (I) Limited'.

3) On March 16, 2013 the following resolutions were passed :
   a) An Ordinary Resolution under section 16 & 94(1)(a) of the Companies Act, 1956 for increasing the authorized share capital
   b) A Special Resolution under section 81 (1A) to issue equity shares on Preferential Basis.
   c) An Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 for increasing the borrowing powers of the Company.
   d) An Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956 for creation of Charge.

Two Resolutions are proposed to be passed by Postal Ballot before the ensuing Annual General Meeting.

IX. DISCLOSURES:

a) The related party transactions have been disclosed in the Notes to Accounts forming part of the Statement of Accounts for the financial year ended March 31, 2013 and no transaction is considered to be pecuniary and/or in potential conflict with the interests of the Company at large.

b) The Company has duly complied with the requirements of the regulatory authorities on capital market. No penalties have been imposed on the Company by the Stock Exchanges/ SEBI on any matter related to capital markets during the last three years.

c) Management Discussion and Analysis Report, given in a separate annexure forms part of this Annual Report and is annexed herewith.

d) The Company affirms that no personnel has been denied access to the Audit Committee.

e) The company has fully complied with the mandatory requirements of the Listing Agreement and the non –mandatory requirement relating to Remuneration Committee have been complied with.

X. MEANS OF COMMUNICATION:

Financial Results:

The results of the Company are furnished to the Stock Exchanges on a periodical basis after approval of the Board of Directors.

The results are normally published in prominent newspapers within 48 hours after approval by the Board. The Company's website address is www.sgjhl.com and the periodic results will be duly posted thereon. Official news releases and notices etc. are sent to the Stock Exchanges where the equity shares of the Company are listed.

XI. GENERAL SHAREHOLDER INFORMATION:

- **Annual General Meeting (Financial Year 2012-13):**
- **Day, Date & Time : Friday, September 6, 2013 at 11.00 a.m.**
- **Venue : Vidya Mandir, 1, Moira Street, Kolkata – 700 017**
- **Financial Calendar (Tentative and subject to change):**
  1. Financial Reporting for the quarter ended June 30, 2013: second week of August, 2013
  2. Financial Reporting for the quarter ended September 30, 2013: second week of November, 2013
  3. Financial Reporting for the quarter ended December 31, 2013: second week of February, 2014
  4. Financial Reporting for the year ended March 31, 2014: last week of May, 2014
- **Dividend:**
  The Board of Directors has recommended a dividend of ₹ 3/- per share on the paid-up Equity Capital of the Company. The proposed dividend, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear in the Register of Members as on the close of business hours on August 30, 2013.
- **Dividend Payment Date:** September 16, 2013

- **Book Closure Period:**
  August 31, 2013 to September 6, 2013 (both days inclusive) for Annual General Meeting and dividend.

- **Listing on Stock Exchanges & Payment of Listing Fee:**
  (a) Bombay Stock Exchange Limited (BSE), P. J. Towers,
  Dalal Street, Mumbai – 400 001

  (b) National Stock Exchange of India Limited (NSE)
  "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051

- **Annual listing fee for the year 2013-14 has been duly paid by the Company to the BSE & NSE.**

- **Stock Code:**
  Stock Code-Bombay Stock Exchange - 533180
  Stock Code-National Stock Exchange - SGJHL

- **ISIN No in NSDL & CDSL : INE 553K01019**

- **Corporate Identification Number: L36911WB2002PLC095086**

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

  i) 460 Shares of ₹ 10/- each were allotted to 6 shareholders pursuant to Initial Public Offer of the company were lying in the account of the company at the beginning of the year.

  ii) During the year, Company has received transfer request from 2 shareholders holding 176 shares in aggregate and the same has been duly transferred to them by the company.

  iii) 284 shares owned by 4 shareholders are still lying in the account of the company at the end of the year.

Voting rights in respect of the aforesaid shares, i.e., lying in the account of the company on March 31, 2013, will remain frozen till the time such shares are claimed by the concerned Shareholders.

- **Market Price Data**

1. The National Stock Exchange of India Limited

Month	High Price	Low Price	Total Traded Quantity	NIFTY High	NIFTY Low
April '2012	87.50	76.30	22,25,641	5378.75	5154.30
May '2012	100.50	65.60	75,35,046	5279.60	4788.95
June '2012	107.90	89.05	28,78,320	5286.25	4770.35
July '2012	115.95	99.50	20,54,658	5348.55	5032.40
August '2012	120.90	83.20	31,95,065	5448.60	5164.65
September '2012	99.00	87.35	11,21,754	5735.15	5215.70
October '2012	125.80	94.50	47,55,329	5815.35	4888.20
November '2012	132.90	110.00	60,09,266	5885.25	5548.35
December '2012	129.90	112.60	22,96,926	5965.15	5823.15
January '2013	139.40	114.05	68,63,310	6111.80	5935.20
February '2013	121.95	101.10	21,71,694	6052.95	5671.90
March '2013	110.85	88.15	8,53,762	5971.20	5604.85

2. Bombay Stock Exchange Limited

Month	High Price	Low Price	Total Traded Quantity	SENSEX High	SENSEX Low
April '2012	88.85	76.40	10,06,373	17664.10	17,010.16
May '2012	110.60	65.20	40,03,709	17432.33	15,809.71
June '2012	107.80	89.25	15,75,474	17448.48	15,748.98
July '2012	116.10	99.00	9,68,568	17631.19	16,598.48
August '2012	120.85	83.00	11,33,635	17972.54	17,026.97
September '2012	99.30	87.65	4,57,463	18869.94	17,250.80
October '2012	126.00	94.60	24,54,194	19137.29	18,393.42
November '2012	132.80	110.90	25,54,608	19372.70	18,255.69
December '2012	130.00	112.10	11,87,261	19612.18	19,149.03
January '2013	139.50	113.90	32,79,476	20203.66	19,508.93
February '2013	123.80	102.00	14,89,144	19966.69	18,793.97
March '2013	110.50	89.00	5,02,223	19754.66	18,568.43

- **Dematerialisation of Shares as on March 31, 2013:**
  The Company's shares are compulsorily traded in dematerialised form and we have established connectivity with both the Depositories in India – National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹10 each	
	Number	% of Total
Issued Capital*	6,48,26,485	100.00
Listed Capital - NSE	6,06,82,485	100.00
BSE	6,06,82,485	100.00
Dematerialised Form		
NSDL	5,84,69,343	96.35
CDSL	22,12,939	3.65
Physical Form	203	0.00
Total shares of Listed Capital	6,06,82,485	100.00

* The Company has allotted 41,44,000 equity shares on preferential basis to its Promoters/ Promoter Group on March 30, 2013 for which application for listing has been filed with NSE & BSE.

- **Registrar and Share Transfer Agent:**
  Link Intime India Private Limited
  C13, Kantilal Maganlal Industrial Estate,
  Pannalal Silk Mills Compound,
  LBS Marg, Bhandup (West),
  Mumbai – 400 078
  Tel : 022 25960320 Fax: 022 25960329
  Email: kolkata@linkintime.co.in

- **Share Transfer System:**
  Almost 100% of the shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. The share transfers which are received in physical form are processed and the share certificates are returned within a period of 15-20 days from the date of receipt of the transfer, subject to documents being valid and complete in all respects.

- **Distribution of Shareholding as on March 31, 2013:**

Slab of Shareholding	No. of Shareholders	%	No. of Shares	%
Upto 500	15136	89.41	17,35,187	2.68
501-1000	868	5.13	6,78,457	1.05
1001- 2000	429	2.53	6,56,267	1.01
2001-3000	156	0.92	3,92,643	0.60
3001-4000	78	0.46	2,81,105	0.43
4001-5000	56	0.33	2,63,752	0.41
5001-10000	85	0.50	6,29,852	0.97
10001 and above	121	0.72	6,01,89,222	92.85
Total	**16929**	**100.00**	**6,48,26,485**	**100.00**

- **Category of Shareholders as on March 31, 2013**

Category	No. of Shares Held	% of shareholdings
(A) Promoters & Promoter Group	4,70,23,320	72.54
(B) Public Shareholding		
1. Institutions		
Financial Institution/Banks	35,63,095	5.50
FIIs	62,59,283	9.66
2. Non-Institutions		
NRI, NRN & Foreign Nationals	2,10,367	0.31
Bodies Corporate	19,43,218	3.00
Public & Others	58,27,202	8.99
Total Public Shareholding (B)	17,803,165	27.46
Total (A) +(B)	6,48,26,485	100.000

Subsidiary Companies:

There is no material non listed Indian Subsidiary Company.

The Company has following wholly-owned subsidiaries:

1. Easy Fit Jewellery Limited
2. Sumit Jewels Private Limited
3. Gaja Finance Private Limited
4. Shree Ganesh Jewellery House (Singapore) Pte. Limited
5. Shree Ganesh Jewellery House FZE
6. Veeyu India Private Limited
7. Alex Mercury Power Private Limited
8. Shree Ganesh Jewellery House (Ghana) Limited.

Gokul Jewellery House Private Limited is a subsidiary of Company by virtue of Company holding its majority of shares.

Save and except the above companies there is no other subsidiary company. The requirements of Clause 49 with regard to subsidiary companies have been complied with.

Registered Office :	413, Vardaan Market 25A, Camac Street Kolkata-700 016 Phone: 033 3028 9188
Corporate Office :	Avani Signature, Block 402 91A/1 Park Street, Kolkata-700 016 E-mail: investors@sgjhl.com Phone: 033 3025 9382
Plant Location :	1. Module GSW, 4SW, 3SE & GNE2 Manikanchan SEZ, SDF Building Sector V, Saltlake, Kolkata – 700 091 Phone: 033 2367 5490/91 2. Mouza Domjur Sasthitala, Dist.Howrah – 711 405 Ph: 91 84430 33401 3. 12/1/14 Mondalpara Lane, Mondalpara, Kolkata – 700 090 Ph: 033 3221 6433
Address for Correspondence : The Company Secretary Shree Ganesh Jewellery House (I) Limited Avani Signature, Block 402 91A/1 Park Street, Kolkata-700 016 Tel : 033 30259382 Fax: 033 40071624 E-mail: investors@sgjhl.com Website: www.sgjhl.com	Link Intime India Private Limited C13, Kantilal Maganlal Industrial Estate, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 Tel : 022 25960320 Fax: 022 25960329 Email: kolkata@linkintime.co.in

For and on behalf of the Board of Directors
Shree Ganesh Jewellery House (I) Limited

Place: 25A Camac Street, Kolkata- 700016 — **(Nillesh Parrekh)**
Date: May 27, 2013 — *Chairman*

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE:

To
The Members of
Shree Ganesh Jewellery House (I) Limited

I have examined the compliance of conditions of Corporate Governance by Shree Ganesh Jewellery House (I) Limited (“the Company”) for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation there of, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

B. P. Dhanuka
Practicing Company Secretary
CP No. 6041, FCS 615

Kolkata
May 27, 2013

CEO & CFO CERTIFICATE

We, Umesh Parekh, Managing Director and Ashok Prakash Sahni, Chief Financial Officer, responsible for the finance function certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the company during the financial year ended March 31, 2013 are fraudulent, illegal or violating of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify those deficiencies.

(d) We have indicated to the Auditors and the Audit committee

(i) That there has not been any significant changes in internal control over financial reporting during the year under review;

(ii) That there has not been any significant changes in accounting policies during the financial year 2012-13 requiring disclosure in the notes to the financial statements; and

(iii) That during the year under review, we are not aware of any instances of significant fraud and involvement therein, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Kolkata	**Umesh Parekh**	**Ashok P. Sahni**
May 27, 2013	*Managing Director*	*Chief Financial Officer*

To
The Shareholders
Shree Ganesh Jewellery House (I) Limited

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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Board of Directors and Senior Management. The Code is hosted on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the senior management team of the Company and the Members of the Board a declaration of the compliance with the Code of Conduct, as applicable to them.

Kolkata
May 27, 2013

Umesh Parekh
Managing Director

FINANCIAL SECTION

Independent Auditor's Report

To
The Members of
Shree Ganesh Jewellery House (I) Limited
[Formerly known as Shree Ganesh Jewellery House Limited]

1. **Report on the Financial Statements**
   We have audited the accompanying financial statements of Shree Ganesh Jewellery House (I) Limited, which comprise the Balance Sheet as at March 31st, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Financial Statements**
   Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**
   Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. **Opinion**
   In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a 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 March 31, 2013;
   (b) in the case of the Statement of Profit and Loss, 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.

5. **Report on Other Legal and Regulatory Requirements**
   1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
   2. As required by section 227(3) of the Act, 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 ;
      c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
      d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
      e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Pratik Niyogi
Partner
Membership No.: 066514

Place: Kolkata
Date: 27th May 2013

Annexure to Auditors' Report

(Referred to in Paragraph 4 of our report)

i. In respect of Fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

b. The Company has a regular program of physical verification of fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

c. No substantial part of the fixed assets of the company was disposed off during the year.

ii. In respect of inventories:

a. The inventories, except for stocks lying with third parties, have been physically verified by the management as at year end. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties, confirmations have been obtained at year end.

b. In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. In our opinion, and according to the information and explanations given to us, the Company is maintaining proper records of its inventories and no material discrepancies noticed on such physical verification.

iii. a. The Company has granted loans to its subsidiary companies covered in register maintained under Section 301 of the companies Act, 1956. The maximum amount involved during the year and the year-end balance was ₹ 13,229.76 Lacs and ₹ 5,781.61 Lacs respectively.

b. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been granted to its subsidiary companies and listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.

c. According to the information and explanation given to us, loans granted and interest thereon are recoverable on demand. There are no stipulations made for the recovery of the loan. Hence we cannot comment on the regularity of receipt of principal amounts and interest thereon.

d. There is no overdue amount outstanding at the end of the year in respect of the above said loans.

e. The company has not taken any loan secured or unsecured from companies, firms or other parties in the register maintained under Section 301 of the Companies Act, 1956.

iv. There is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in internal control system during the course of the audit.

v. In our opinion and according to the information and explanations given to us, there were no contracts or arrangements made with the parties which required to be covered in the registers maintained under section 301 of the companies Act, 1956.

vi. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA or any other relevant provision of the Act and rules framed there under.

vii. In our opinion and according to information and explanations given to us, the company has adequate overall internal control system commensurate with its size and nature of its business.

viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Rule made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.

ix. In respect of Statutory dues:

a. According to the information and explanations given to us and on the basis of our examination of records of the company, in our opinion, the amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs duty, Cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the company did not have any dues on account of Excise duty, Service tax and Investor Education and Protection fund.

b. According to information and explanations given to us, no undisputed amounts payable in respect of Employees Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth Tax, Custom duty, Cess and other Material statutory dues were in arrears as at 31st March 2013 for a period more than 6 months from the date they become payable,

c. According to the information and explanations given to us, there were no dues of Wealth tax, Custom duty, and Cess which have not been deposited with the appropriate authorities on account of any dispute. Based on the information and explanations available, the following Sales Tax dues have not been deposited with the appropriate authorities on account of Dispute:

Sl. No	Name of the Statute	Nature of dues	Amount (In Lacs)	Period to which the amount relates	Forum where the dispute is pending
1	West Bengal Sales Tax Act/ Central Sales Tax Act	Claim of export rejected by Appellate Authority on ground of non accepting Form 12A on quarterly basis but the Commercial taxes authority issued it on quarterly basis	₹ 291.07 Lacs	2006-07	Revisional Board, Sales Tax Kolkata (South Circle)
2	West Bengal Sales Tax Act/ Central Sales Tax Act	Export Sales and Input tax credit disallowed and Gross Turnover. enhanced by 63%	₹ 1,807.33 Lacs	2007-08	Appellate Authority, Sales Tax Kolkata (South Circle)
3	West Bengal Sales Tax Act/ Central Sales Tax Act	Input tax disallowed due to purchase / sale from the same party and further, purchase tax levied on Fixed assets purchased during the year.	₹ 27.44 Lacs	2008-09	Appellate Authority, Sales Tax Kolkata (South Circle)
4	West Bengal Sales Tax Act/ Central Sales Tax Act	Tax on sales at branches outside the State of West Bengal @ 12.5% and CST sales taxed @ 1% thereon	₹ 519.46 Lacs	2009-10	Appellate Authority, Sales Tax Kolkata (South Circle)

x. The company does not have accumulated losses at the end of the financial year 31st March, 2013 and has not incurred cash losses in the current financial year and in 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 repayment of dues to its banker and debenture holders.

xii. In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/society.

xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

xv. In our opinion and according to the information given to us, in respect of the guarantee given by the Company for the loans taken by others from a bank, the terms and conditions thereof are not, prima facie, prejudicial to the interest of the company.

xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.

xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have not been used for long term investment.

xviii. The Company has made preferential allotment of 41,44,000 shares of ₹ 10 each at a premium of ₹140 each, to Companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

xix. According to the information and explanations given to us and on the basis of the records examined by us, the company has created necessary charges for the debentures issued.

xx. The Company has not raised any money by public issues during the year.

xxi. As represented to us by the management and based on our examination of the books and records of the Company in accordance with the generally accepted auditing practices in India, we have neither come across any material fraud on or by the Company noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

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

Pratik Niyogi
Partner
Membership No.: 066514

Place: Kolkata
Date: 27th May 2013

Balance Sheet as at 31st March 2013

[₹ in Lakhs]

	Notes	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	6,482.65	6,068.25
Reserves and surplus	4	155,339.59	126,433.13
		161,822.24	132,501.38
Non-Current Liabilities			
Long-term borrowings	5	10,039.53	10,032.06
Long-term provisions	6	46.75	31.82
		10,086.28	10,063.88
Current Liabilities			
Short-term borrowings	7	49,683.96	65,625.77
Trade payable	8	334,287.82	172,452.91
Other current liabilities	9	4,788.73	3,395.38
Short-term provisions	10	2,690.56	6,848.58
		391,451.07	248,322.64
		563,359.59	**390,887.90**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	11	16,668.63	17,081.00
Intangible assets	11	3.00	6.47
Capital work in progress		863.70	1,632.45
		17,535.33	18,719.92
Non-current investment	12	13,054.88	4,480.44
Deferred tax asset (net)	13	459.99	687.38
Long term loans and advances	14	15,569.37	10,248.66
		29,084.24	15,416.48
Current Assets			
Current investment	15	–	1,345.98
Inventories	16	58,607.68	51,485.31
Trade receivables	17	354,629.99	211,467.61
Cash and cash equivalents	18	94,822.21	82,283.58
Short term loans and advances	19	6,592.55	8,634.99
Other current assets	20	2,087.59	1,534.03
		516,740.02	356,751.50
		563,359.59	**390,887.90**
Summary of Significant Accounting Policies	2		

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

As per our report attached

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Statement of Profit and Loss for the year ended 31st March 2013

[₹ in Lakhs]

	Notes	Year ended 31st March 2013	Year ended 31st March 2012
Income			
Revenue from operations	21	922,226.92	659,361.26
Other income	22	10,286.26	8,053.07
		932,513.18	**667,414.33**
Expenses			
Cost of materials consumed	23	631,598.43	486,396.55
Purchases of stock-in-trade	24	245,877.50	151,188.47
Changes in inventories of work-in-progress, finished goods and stock-in-trade	25	1,199.36	(19,770.36)
Employee benefits expense	26	2,916.57	2,517.62
Finance cost	27	20,251.18	12,649.80
Depreciation and amortisation expense	11	2,329.57	2,239.10
Other expenses	28	2,733.01	2,463.03
		906,905.62	**637,684.21**
Profit Before Tax		**25,607.56**	**29,730.12**
Tax Expense			
Current tax [Includes MAT ₹ 5,190.00 (PY ₹ 5,975.00)]		5,190.00	5,975.00
Less: Mat credit entitlement		(5,190.00)	(5,733.00)
Net current tax		–	242.00
Deferred tax charge / (release)	13	227.40	129.76
Profit For The Year		**25,380.16**	**29,358.36**
Basic and diluted earnings per share	31	41.81	48.38
Summary of Significant Accounting Policies	2		

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

As per our report attached

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Cash Flow Statement for the year ended 31st March 2013

[₹ in Lakhs]

	31st March 2013		31st March 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation		25,607.56		29,730.12
Adjusted for :				
Depreciation /Amortisation	2,329.57		2,239.10	
Unrealised foreign exchange loss / (gain) (net)	1,814.90		(13,928.55)	
Dividend Income	–		(13.78)	
Interest expense (Net)	20,251.18		12,649.80	
Miscellaneous provision written back	(13.21)	24,382.44	(45.67)	900.90
Operating profit before working capital changes		**49,990.00**		**30,631.02**
Changes in:				
Trade and other receivables	(187,670.28)		(82,352.34)	
Inventories	(7,122.36)		(17,175.46)	
Trade payables / other liabilities	169,717.65	(25,074.99)	92,183.78	(7,344.02)
Cash generated from operations		**24,915.01**		**23,287.00**
Direct taxes (paid)/refund (net)		(7,396.50)		(3,380.63)
NET CASH FROM OPERATING ACTIVITIES		**17,518.51**		**19,906.37**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(1,144.98)		(9,201.72)
Dividend Income		–		13.78
Investment in subsidiaries and others		(8,574.44)		(3,293.55)
Investment in fixed deposit		1.65		9,941.57
Investment in mutual fund		1,344.33		1,328.22
Loans (Given)/Realisation(net)		1,743.75		(6,863.98)
Interest income on fixed deposits and mutual funds		94.10		695.91
NET CASH USED IN INVESTING ACTIVITIES		**(6,535.59)**		**(7,379.77)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from :				
Short Term Borrowings	704,257.01		464,784.70	
Long Term Borrowings	20.27	704,277.28	32.06	464,816.76
Repayment of:				
Short Term Borrowings	683,826.44		(444,583.43)	
Long Term Borrowings	12.80	(683,839.24)	–	(444,583.43)
Interest paid(net)		(20,870.01)		(12,972.28)
Dividend Paid		(4,228.32)		(1,820.46)
Money raised through Preferential Allotment of Equity Shares to Promoter and Promoter Group		6,216.00		–
NET CASH FROM FINANCING ACTIVITIES		**1,555.71**		**5,440.59**
(DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		**12,538.63**		**17,967.20**
Opening cash and cash equivalents		**82,283.58**		**64,316.38**
Closing cash and cash equivalents		**94,822.21**		**82,283.58**
Note				
CASH AND CASH EQUIVALENTS - CLOSING BALANCE				
1. Cash in hand		153.52		66.89
Balances with scheduled banks				
- Current account [Excluding unrealised foreign exchange gain of ₹ 0.41 (previous year loss ₹ 4.08)]		5,173.20		3,196.95
- Deposit account *		89,495.49		79,019.74
TOTAL		**94,822.21**		**82,283.58**
* Includes ₹ 89,495.49 (Previous year ₹ 79,019.74) being margin money deposit against borrowings which are not readily available for other purposes.				
2. The above cash flow statement has been prepared under the indirect method set out in Accounting Standard AS 3 ''Cash Flow Statement'' as prescribed by Companies (Accounting Standards) Rules, 2006.				
3. Previous year's figure have been rearranged / regrouped wherever necessary				

As per our report attached

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Notes to Financial Statements for the year ended 31st March 2013

1. BACKGROUND

Shree Ganesh Jewellery House (I) Limited ('the Company') formerly known as Shree Ganesh Jewellery House Private Limited, was incorporated in 2002. The Company is engaged in the business of manufacture and sale of handcrafted gold jewellery, diamond and studded jewellery. The name of the Company changed to Shree Ganesh Jewellery House Limited on conversion to public limited company with effect from 14th August 2007. During the year 2009-2010 the Company has made an Initial Public Offering (IPO) to issue 12,136,497 equity shares of face value ₹ 10 each at ₹ 260 each (including a securities premium of ₹ 250 each) and got listed on National Stock Exchange and Bombay Stock Exchange. During the year Company have further changed its name from Shree Ganesh Jewellery House Limited to Shree Ganesh Jewellery House (I) Limited with effect from 4th December, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India ('GAAP') and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act., 1956 to the extent applicable.

(ii) Presentation and disclosure of financial statements

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

(iii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(iv) Fixed assets

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes freight, duties (net of VAT), taxes and other incidental expenses that are directly attributable to bringing assets to their working condition for their intended use.

(v) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(vi) Depreciation/ Amortisation

Depreciation on fixed assets is provided under the written down value method at rates derived from the useful lives of such assets, as estimated by management. The rates of depreciation so derived are in line with the rates of depreciation prescribed by Schedule XIV to the Act.

Leasehold properties are amortised over useful life of the assets as estimated by management or the period of lease, whichever is lower.

Fixed assets individually costing ₹ 5,000 or less, are depreciated fully in the year of acquisition.

Goodwill arising on amalgamation is amortised over its estimated useful life of 5 years.

(vii) Impairment of fixed assets

At each Balance Sheet date, management assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs when the carrying value of an asset exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the present value as determined above.

(viii) Investments

Non-current investments are stated at cost less amount written off, where there is a diminution in value other than temporary. Current investments are valued at cost or net realisable value whichever is lower.

(ix) Inventories

Year-end inventory of raw materials and stones are carried at cost (net of VAT, wherever applicable). The carrying cost of raw materials and stones is appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

Year-end inventory of work in progress and finished goods are valued at lower of cost and net realisable value. Cost of work in progress and finished goods comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of the production.

In determining cost, first in first out method is used.

Alloys and consumables are charged off to Profit and Loss Account.

(x) Revenue recognition

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer. Sales are stated exclusive of sales tax. Excise duty is not applicable to the company. In respect of contract for sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

Revenue from job work are recognised on an accrual basis when the related job work is rendered.

Notes to Financial Statements for the year ended 31st March 2013

In respect of commodity exchange transactions undertaken by the company, net gain/loss arising from settlement of such transactions during the year or restatement of such transactions that are pending settlement at the year end are recognised in the Profit and Loss Account for the year. In respect of commodity exchange transaction undertaken on behalf of customers, brokerage received/ receivable is recognised on accrual basis when transactions are entered into on behalf of the customers.

Third party sales commission is recognised on an accrual basis in accordance with the terms of the related agreement.

Interest is recognised on time proportion basis.

(xi) Employee benefits

The Company's obligations towards various employee benefits have been recognised as follows:

Short Term Benefits

Cost of non-accumulated compensated absences is recognised when absences occur. Cost of other short term employee benefits are recognised on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company.

Post employment benefits

Monthly contribution to Provident Funds, which is defined contribution scheme, is charged to Profit and Loss account and deposited with the Regional Provident Fund Authorities on a monthly basis.

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plan is based on the market yield on government securities as at the Balance sheet date and have maturity period approximating to the terms of the obligation. Actuarial gains and losses are recognised immediately in the profit and loss account.

(xii) Operating Leases

Lease rentals for operating leases are recognised as expenses in the Profit and Loss Account on a straight line basis over the lease term.

(xiii) Foreign exchange transactions

Transactions in foreign currency are recognised at the exchange rates prevailing on the date of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies, other than those covered by foreign exchange contracts, are translated at the year-end foreign exchange rates.

Gain / loss from exchange differences arising on settlement of foreign currency transaction or translation of year-end monetary assets and liabilities in foreign currency are recognised in the Profit and Loss Account for the year.

In case of forward exchange contracts, premium or discounts on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Profit and Loss Account.

Translation of integral and non-integral foreign operation

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

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

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

(xiv) Taxation

Income tax expense comprises current taxes (i.e. amount of taxes for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future except for deferred tax assets arising from unabsorbed depreciation or business losses brought forward from prior years that are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written up or down to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The Company's units, located in Special Economic Zone (SEZ) are exempted from income tax (current tax) and one unit is partly exempted till 31st March 2014 under the provisions of section 10AA of the Income Tax Act, 1961. However Minimum Alternate Tax (MAT) is applicable in the profits derived from units located in Special Economic Zone (SEZ) w.e.f. 01.04.2011. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Deferred tax assets on unabsorbed depreciation and / or carry forward of losses are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

Notes to Financial Statements for the year ended 31st March 2013

(xv) Provisions and contingent liabilities

A provision is recognised in the financial statements when there exists a present obligation as a result of a past event, the amount of which can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be reliably estimated.

(xvi) Earnings Per Share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares and dilutive equity equivalent shares outstanding during the period, except when results would be anti dilutive.

3. SHARE CAPITAL

[₹ in Lakhs]

		As at 31st March 2013	As at 31st March 2012
Authorised Shares			
115,000,000	(Previous Year - 70,000,000) Equity Shares of ₹ 10 each	11,500.00	7,000.00
2,666,667	(Previous year - 2,666,667) 0.0001% Cumulative Convertible Preference Shares of ₹ 300/- each.	8,000.00	8,000.00
		19,500.00	**15,000.00**
Issued, Subscribed and fully Paid up shares			
64,826,485	(Previous Year - 60,682,485) Equity Shares of ₹ 10 each fully paid up	6,482.65	6,068.25
	(of the above share 36,048,144 equity share of ₹ 10 each are allotted fully paid up by way of bonus shares in the year 2009-10)		
		6,482.65	**6,068.25**

The Company has made an Initial Public Offer (IPO) to issue 12,136,497 Equity Shares of ₹ 10 each at ₹ 260 each (includes securities premium of ₹ 250 each) in the year 2009-2010. In the year 2010-2011, the Company has issued and allotted Equity Shares. Out of the fund raised from IPO amounting to ₹ 31,554.89, apart from meeting the IPO expenses of ₹ 2,332.34, the Company has utilised the proceeds of the issue amounting to ₹ 29,222.55 (P.Y ₹ 27,877.02) for setting up and expansion of manufacturing units, setting up of retail outlets, meeting working capital requirements and for general corporate purposes upto the year ended 31st March 2013.

Further, the Company in the current year has allotted 4,144,000 (Previous Year Nil) Equity Shares of ₹ 10 each (includes security premium of ₹ 140 each) through Preferential allotment to Promoters and Promoters Group.

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

[₹ in Lakhs]

	31st March 2013		31st March 2012	
	No.	Amount	No.	Amount
At the beginning of the year	60,682,485	6,068.25	60,682,485	6,068.25
Add : Issued during the year - Through Preferential Allotment to Promoters and Promoters Group	4,144,000	414.40	–	–
Outstanding at the end of the year	**64,826,485**	**6,482.65**	**60,682,485**	**6,068.25**

b. Terms / rights attached to equity shares

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

During the year ended 31st March 2013, The Board has recommended a Final Dividend of ₹ 3/- (30% of the paid up equity share capital of the Company) per equity share of face value ₹10 each.

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

c. 72.54% of equity shares of the Company are held by the promoter group of the Company.

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

	31st March 2013		31st March 2012	
Name of shareholder	No.	% holding	No.	% holding
Umesh Parekh	10,141,300	15.64%	9,475,300	15.61%
Kamlesh Shailendra Parekh	11,564,100	17.84%	9,085,100	14.97%
Nillesh Parrekh	9,557,200	14.74%	8,891,200	14.65%
Umesh Parekh HUF	5,582,000	8.61%	5,582,000	9.20%
Nilesh Parekh HUF	3,646,880	5.63%	3,646,880	6.01%
Credit Suisse Pe Asia Investments (Mauritius) Limited	3,200,000	4.94%	3,200,000	5.27%
Kumud Parekh	3,527,240	5.44%	3,194,240	5.26%

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

Notes to Financial Statements for the year ended 31st March 2013

4. RESERVES AND SURPLUS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Amalgamation Reserve	325.59	325.59
Securities Premium Account		
At the commencement of the year	36,054.61	36,054.61
Additions during the year:		
- on Preferential Allotment of Equity Shares to Promoter and Promoter Group [refer note 3]	5,801.60	–
Balance at the end of the year	41,856.21	36,054.61
General Reserve		
At the commencement of the year	7,286.02	4,350.18
Add: Transfer from Statement of Profit and Loss	2,538.02	2,935.84
Balance at the end of the year	9,824.04	7,286.02
Surplus / (deficit) in the statement of Profit and Loss		
At the commencement of the year	80,266.91	60,575.99
Profit for the year	25,380.16	29,358.36
Less: Appropriations		
Proposed Equity Dividend	1,944.79	3,640.95
Dividend Tax	330.52	590.65
Transfer to Debenture Redemption Reserve	500.00	2,500.00
Transfer to General Reserve	2,538.02	2,935.84
Balance at the end of the year	100,333.74	80,266.91
Debenture Redemption Reserve		
At the commencement of the year	2,500.00	–
Add: Transfer from Statement of Profit and Loss	500.00	2,500.00
	3,000.00	2,500.00
	155,339.59	**126,433.13**

5. LONG TERM BORROWINGS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Secured		
- 11% Non convertible debenture *	10,000.00	10,000.00
- Vehicle loan **	39.53	32.06
	10,039.53	**10,032.06**

* Debentures are due for repayment at the end of 3rd, 4th and 5th year in the ratio of 30:35:35 from the date of allotment, viz, 20/12/2010 and 03/11/2010, ₹ 5,000 each. These are secured by first charge on the Fixed Assets of the Company to the extent of 1.25 times of the value of non convertible debentures.

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

6. LONG TERM PROVISIONS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Employee benefits (Refer note 38)	46.75	31.82
	46.75	**31.82**

7. SHORT TERM BORROWING

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Secured loans		
From Banks		
- Cash credit from banks*	34,637.02	30,061.57
- Bank overdraft **	2,363.19	2,408.50
- Post Shipment Credit***	6,683.75	6,155.70
From other financial institutions		
- Other short term loan ****	6,000.00	15,000.00
Unsecured loan		
- From banks & other financial institutions	–	12,000.00
	49,683.96	**65,625.77**

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

** Secured by way of lien on fixed deposits.

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

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

Notes to Financial Statements for the year ended 31st March 2013

8. TRADE PAYABLE

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Trade Payable	334,287.82	172,452.91
	334,287.82	**172,452.91**

9. OTHER CURRENT LIABILITIES

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Current maturities of long-term debt	35.58	15.96
Interest accrued but not due on borrowings	189.50	160.67
Unpaid dividends	9.37	6.09
Temporary book overdrafts	–	49.10
Advance received from customers	465.71	438.27
Statutory liability	21.22	55.16
Other payables *	4,067.35	2,670.13
	4,788.73	**3,395.38**

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

10. SHORT TERM PROVISIONS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Employee benefits (Refer note 38)	16.54	11.42
Proposed dividend	1,944.79	3,640.95
Tax on proposed dividend	330.52	590.65
Provision for taxation (Net of advance tax ₹ 11635.17 (PY ₹ 4,237.91))	398.71	2,605.56
	2,690.56	**6,848.58**

11. FIXED ASSETS

[₹ in Lakhs]

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 1st April 2012	Additions	Deduction	As at 31st March 2013	As at 1st April 2012	For the year	Deductions/ Adjustments	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible Assets										
Freehold Land	210.86	–	–	210.86	–	–	–	–	210.86	210.86
Buildings										
- Freehold	3,819.15	1,328.31	–	5,147.46	427.16	351.17	–	778.33	4,369.13	3,391.99
- Leasehold (refer note below)	391.70	–	–	391.70	104.23	14.37	–	118.60	273.10	287.47
Plant & Equipment	13,738.87	273.46	–	14,012.33	2,098.88	1,629.88	–	3,728.76	10,283.57	11,639.99
Furniture & Fixtures	1,334.78	406.54	–	1,741.32	280.54	201.97	–	482.51	1,258.81	1,054.24
Office Equipments	69.76	17.93	–	87.69	28.70	9.55	–	38.25	49.44	41.06
Computers & related equipments	201.95	35.33	–	237.28	119.47	40.28	–	159.75	77.53	82.48
Vehicles	562.68	72.72	343.54	291.86	189.77	78.88	122.98	145.67	146.19	372.91
Total	**20,329.75**	**2,134.29**	**343.54**	**22,120.50**	**3,248.75**	**2,326.10**	**122.98**	**5,451.87**	**16,668.63**	**17,081.00**
Intangible Assets										
Computer Software	19.58	–	–	19.58	13.11	3.47	–	16.58	3.00	6.47
Total	**19.58**	**–**	**–**	**19.58**	**13.11**	**3.47**	**–**	**16.58**	**3.00**	**6.47**
Previous Year										
Tangible Assets	10,644.04	9,689.86	4.15	20,329.75	1,013.84	2,235.67	0.77	3,248.75	17,081.00	
Intangible Assets	306.07	1.37	287.86	19.58	297.54	3.43	287.86	13.11	6.47	

(a) Includes Gross Block ₹ 201.92 (Previous Year ₹ 201.92), Accumulated Depreciation ₹ 60.93 (Previous Year ₹ 53.51) and written down value ₹140.99 (Previous Year ₹148.41), jointly held with others.

(b) Includes Gross Block ₹ 102.93 (Previous Year ₹ 102.93) and Accumulated Depreciation ₹ 33.05 (Previous Year ₹ 25.28), that are yet to be registered in the name of the Company.

Notes to Financial Statements for the year ended 31st March 2013

12. NON-CURRENT INVESTMENT

[₹ in Lakhs]

	No. of Shares 31st March 2013	No. of Shares 31st March 2012	Currency	Face Value per share	As at 31st March 2013	As at 31st March 2012
Unquoted - at cost						
(Long Term - Other than trade)						
Investment in equity instruments (fully paid)						
Shares in Subsidiary Companies						
Alex Mercury Power Private Limited	10,000	10,000	INR	10	1.00	1.00
Easy Fit Jewellery Limited	3,500,000	2,471,500	INR	10	4,729.68	512.83
Gaja Finance Private Limited	2,250,000	2,250,000	INR	10	225.00	225.00
Gokul Jewellery House Private Limited	282,500	282,500	INR	10	28.48	28.48
Oroitalia Chains Private Limited	5,000	5,000	INR	10	0.50	0.50
Sumit Jewels Private Limited	362	362	INR	1,000	117.65	117.65
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	10,000	10,000	SGD	1	2.74	2.74
Shree Ganesh Jewellery House FZE	264	1	AED	100,000	3,290.65	12.41
Veeyu India Private Limited	7,504,095	384,095	INR	10	1,792.21	92.11
					10,187.91	**992.72**
Equity Shares (fully paid up)						
Damgan Retail Jewellery Private Limited	3,300	3,300	INR	10	–	0.33
Less: Provision for diminution in value of investments					–	0.33
					–	**–**
Share Application Money						
Shree Ganesh Jewellery House FZE					2,866.97	3,287.62
Veeyu India Private Limited					–	200.10
					2,866.97	**3,487.72**
					13,054.88	**4,480.44**

13. DEFERRED TAX ASSETS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Deferred tax		
Deferred tax asset (net) included in the Balance Sheet comprises of :		
Deferred tax assets		
Excess of written down value of assets as per Income Tax Act, 1961 and net book value of such assets	11.43	14.59
(to the extent reversing after the period during which the Company is eligible for exemption under sections 10A and 10AA of the Income-tax Act, 1961)		
Provision for doubtful debts	–	127.83
Other timing differences	448.56	544.96
Deferred tax asset (net)	**459.99**	**687.38**

14. LONG TERM LOANS AND ADVANCES

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Unsecured and considered good		
Capital advances	43.23	45.23
Loan to related parties * (Refer note 42)	3,600.00	3,600.00
MAT credit entitlement	10,923.00	5,733.00
Security Deposit	1,003.14	870.43
	15,569.37	**10,248.66**

* Comprises of Inter-corporate Deposit given to Alex Mercury Power Private Limited repayable after 7 years from the date of payment

15. CURRENT INVESTMENT *

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
(Short term, other than trade, valued at cost)		
Investments in mutual fund	–	1.65
Fixed Deposits	–	1,344.33
	–	**1,345.98**

16. INVENTORIES (At lower of cost and net realisable value)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Raw materials and stones (Refer note no 33)	11,173.10	2,851.37
Work-in-progress *	20,203.28	13,805.62
Finished goods		
[includes goods in transit ₹ 3,442.62 (Previous year ₹ 2,664.60)] (refer note 33)	27,231.30	34,828.32
	58,607.68	**51,485.31**

* Include stock lying with third parties ₹ 17,203.04 (Previous year ₹ 10,348.26). Closing stock excludes stock provided by third parties amounting to ₹ 86.60 (Previous Year ₹ 214.62) as at the year end lying with us.

Notes to Financial Statements for the year ended 31st March 2013

17. TRADE RECEIVABLES (Unsecured)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Debts outstanding for a period exceeding six months from the date they are due for payment		
- considered good	41,935.86	905.13
- considered doubtful	–	393.98
	41,935.86	1,299.11
Less: Provision for doubtful debts	–	393.98
	41,935.86	905.13
Other debts - considered good	312,694.13	210,562.48
	354,629.99	**211,467.61**

18. CASH AND CASH EQUIVALENTS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Cash on hand	153.52	66.89
Balances with bank		
- on current accounts (including unrealised exchange gain of ₹ 0.41 (Previous Year loss ₹ 4.08)	5,163.83	3,190.86
- on unpaid dividend account and IPO refund account	9.37	6.09
Other bank balances		
- on bank deposits *	89,495.49	79,019.74
	94,822.21	**82,283.58**

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

19. SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Loans to related parties (Refer note 42)	2,181.61	3,925.36
Foreign Currency Receivable	146.06	157.77
Other loan and advances	4,264.88	4,551.86
	6,592.55	**8,634.99**
Note :		
(a) Loans to related parties		
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	14.68	14.68
Gokul Jewellery House Private Limited	133.46	612.51
Oroitalia Chains Private Limited	81.33	–
Sumit Jewels Private Limited	–	332.30
Easy Fit Jewellery Limited	291.69	2,033.62
Alex Mercury Power Private Limited	1,641.22	549.70
Alex Spectrum Radiation Private Limited	–	104.12
Shree Ganesh Jewellery House FZE	3.38	3.38
Veeyu India Pvt. Ltd.	15.85	275.05
	2,181.61	**3,925.36**

20. OTHER CURRENT ASSETS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Interest accrued but not due on deposits and loans given	**2,087.59**	**1,534.03**

21. REVENUE FROM OPERATIONS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Sale of Products (Refer note 32)	921,966.31	659,146.65
Sale of Services:		
- Job work charges	190.85	199.74
Other operating revenue	69.76	14.87
	922,226.92	**659,361.26**

22. OTHER INCOME

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Gain on foreign exchange fluctuation (net)	10,201.71	7,963.42
Dividend Income	–	13.78
Miscellaneous Income	84.55	75.87
	10,286.26	**8,053.07**

Notes to Financial Statements for the year ended 31st March 2013

23. COST OF MATERIALS CONSUMED *

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Opening stock	2,851.37	5,446.27
Add: Purchases	639,920.16	483,801.65
Less: Closing stock	11,173.10	2,851.37
	631,598.43	**486,396.55**

* Refer note 34

24. PURCHASES OF STOCK-IN-TRADE

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Gold Jewellery and articles	102,048.39	95,233.50
Precious/Semi precious stones	143,829.11	55,954.97
	245,877.50	**151,188.47**

25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Closing Stock		
- Work In Progress	20,203.28	13,805.62
- Finished Goods	27,231.30	34,828.32
Less :		
Opening Stock		
- Work In Progress	13,805.62	11,169.85
- Finished Goods	34,828.32	17,693.73
	(1,199.36)	**19,770.36**

26. EMPLOYEE BENEFITS EXPENSE

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Salaries and wages	1,697.14	1,541.29
Contribution to Employee Benefit Funds	35.70	25.50
Staff welfare expense	30.85	54.46
Director's Remuneration	1,152.88	896.37
	2,916.57	**2,517.62**

27. FINANCE COST

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Interest expense (net) *	18,619.58	10,546.33
Other borrowing costs	1,631.60	2,103.47
	20,251.18	**12,649.80**

* net of interest income on Fixed Deposits with bank held as margin money and interest on loan to subsidiaries amounting to ₹ 8,254.64 (PY ₹ 7,774.18)

28. OTHER EXPENSES

[₹ in Lakhs]

	Year ended 31st March 2013		Year ended 31st March 2012
Alloys and consumables consumed		8.73	10.09
Power and fuel		120.62	88.97
Rent (refer Note 45)		231.67	182.92
Repairs & maintenance			
- Building		37.60	31.79
- Machinery		11.37	6.52
- Others		3.87	3.10
Insurance		128.39	103.84
Debtors Written Off	393.98		
Less: already provided for	393.98	–	–
Rates and taxes		23.43	12.34
Sales promotion expenses		402.40	409.75
Legal and consultancy charges		236.67	226.67
Job work charges		162.40	126.72
Auditor remuneration (Refer note 41)		15.70	16.02
Travelling expense		373.43	308.89
Miscellaneous expenses		976.73	935.41
		2,733.01	**2,463.03**

Notes to Financial Statements for the year ended 31st March 2013

29. ESTIMATED CAPITAL COMMITMENTS NOT PROVIDED FOR (NET OF ADVANCE)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Other Commitments	377.43	894.03
Bank guarantee	337.70	35.10

30. CONTINGENT LIABILITIES

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
i. Corporate Guarantees given		
- on behalf of subsidiaries	10,500.00	8,600.00
- on behalf of other group companies	34,160.00	35,288.00
ii. Bills Discounted	149,646.17	115,450.17
iii. Claims against the Company in respect of Sales Tax matters not acknowledged as debts	2,645.30	318.51

31. BASIC AND DILUTED EARNINGS PER SHARE

	Year ended 31st March 2013	Year ended 31st March 2012
(a) Calculation of weighted average number of equity shares of ₹ 10 each for basic earning per share.		
Number of equity shares at the beginning of the year	60,682,485	60,682,485
Fresh issue of Equity shares - Through Preferential Allotment to Promoters and Promoters Group	4,144,000	–
Weighted average number of equity shares outstanding during the year for basic EPS	60,705,192	60,682,485
(b) Net profit attributable to equity shareholders	25,380.16	29,358.36
(c) Basic and Diluted earnings per equity share (₹)	41.81	48.38
(Face value per Equity Share of ₹ 10 each)		

60,682,485 (Previous Year 60,682,485) equity shares outstanding for 365 days and 4,144,000 (Previous Year Nil) equity shares outstanding for 2 days

32. DETAILS OF PRODUCT SOLD

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Finished Goods Sold		
- Gold Jewellery & Article	392,487.22	383,850.91
- Medallians	932.62	44,810.17
- Precious / Semi precious stones	282,072.50	78,191.32
	675,492.34	**506,852.40**
Stock-in-trade		
- Gold Jewellery & Article	102,398.00	96,063.86
- Precious / Semi precious stones	144,075.97	56,230.39
	246,473.97	**152,294.25**

33. DETAILS OF INVENTORIES

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Raw Material and Component		
- Gold Bar	6,088.78	2,075.52
- Precious/Semi precious stones	5,084.32	775.85
	11,173.10	2,851.37
Work in Progress		
- Gold Jewellery	20,203.28	13,805.62
Finished Goods		
- Gold Jewellery and articles	20,121.17	30,270.34
- Medallians	746.35	571.34
- Precious/Semi precious stones	6,363.78	3,986.64
	27,231.30	**34,828.32**

34. DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Gold Bar	366,500.05	422,458.29
Precious/Semi precious stones	265,098.38	63,938.26
	631,598.43	**486,396.55**

Notes to Financial Statements for the year ended 31st March 2013

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

	Year ended 31st March 2013		Year ended 31st March 2012	
	Value	Percentage	Value	Percentage
Raw Materials and stones				
Imported	617,559.31	97.78%	436,766.22	89.80%
Indigenous	14,039.12	2.22%	49,630.33	10.20%
Total	**631,598.43**	**100.00%**	**486,396.55**	**100.00%**

36. VALUE OF IMPORTS ON CIF BASIS

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Raw materials (including goods in transit)	730,362.57	480,712.11
Capital goods	25.10	5,853.78

37. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
(a) Expenditure in foreign travel	70.19	64.56
(b) Interest expenditure	–	385.80
(c) Earnings in Exports on FOB basis	749,131.52	525,714.64

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

[₹ in Lakhs]

	Year ended 31st March 2013 Gratuity-Unfunded	Year ended 31st March 2012 Gratuity-Unfunded
(a) Component of Employer Expense		
Current service cost	16.72	14.16
Interest cost	2.92	4.69
Actuarial (Gains) / Losses	(1.22)	(40.14)
Total Expenses recognised in the Statement of Profit & Loss Account	**18.42**	**(21.29)**
(b) Change in Defined Benefit Obligation (DBO) during the year		
Present value of DBO at the beginning of period	33.20	54.49
Current service cost	16.72	14.16
Interest cost	2.92	4.69
Actuarial (Gains) / Losses	(1.22)	(40.14)
Benefits Payments	(0.67)	–
Present Value of DBO at the year end	**50.95**	**33.20**
Current liability	4.20	1.38
Non current liability	46.75	31.82
	50.95	**33.20**
Actuarial Assumptions		
Discount Rate	**8.30%**	**8.90%**

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

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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

		Year ended 31st March 2013		Year ended 31st March 2012	
Nature of contract	Currency	Number of contract	Foreign Currency Amount	Number of contract	Foreign Currency Amount
Forward contract buy	USD	3	45.96	16	410.98
Forward contract sale	USD	16	293.65	7	118.06

The purpose of entering into forward exchange Contract is to hedge foreign currency exposure on payment of creditors/ borrowings and receipts from debtors to hedge price fluctuation risk. During the current year the company has not entered into any derivative instruments for speculation purpose.

Notes to Financial Statements for the year ended 31st March 2013

40. FOREIGN CURRENCY EXPOSURE NOT HEDGED BY DERIVATIVE INSTRUMENTS OR FORWARD COVER AS ON BALANCE SHEET DATE ARE AS FOLLOWS:-

	Year ended 31st March 2013 Amount in USD	Year ended 31st March 2012 Amount in USD
Debtors	6,268.79	4,052.50
Creditors	5,973.01	2,804.98

41. AUDITOR'S REMUNERATION INCLUDES

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
- As auditor	12.00	12.00
- For taxation matter	1.50	1.50
- For other services	2.20	2.52
	15.70	**16.02**

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

		2012-2013	2011-2012
(i)	**Enterprises directly / indirectly are under common control with the Company**	(a) Gokul Jewellery House Private Limited	(a) Gokul Jewellery House Private Limited
		(b) Shree Ganesh Jewellery House FZE	(b) Shree Ganesh Jewellery House FZE
		(c) Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	(c) Shree Ganesh Jewellery House (Singapore) Pte. Ltd.
		(d) Easy Fit Jewellery Limited	(d) Easy Fit Jewellery Limited
		(e) Sumit Jewels Private Limited	(e) Sumit Jewels Private Limited
		(f) Gaja Finance Private Limited	(f) Gaja Finance Private Limited
		(g) Alex Mercury Power Private Limited	(g) Alex Mercury Power Private Limited
		(h) Alex Spectrum Radiation Private Limited	(h) Alex Spectrum Radiation Private Limited
		(i) Alex Astral Power Private Limited	(i) Alex Astral Power Private Limited
		(j) Alex Green Energy Private Limited	(j) Alex Green Energy Private Limited
		(k) Veeyu India Private Limited	(k) Veeyu India Private Limited
		(l) Shree Ganesh Jewellery House DMCC	(l) Shree Ganesh Jewellery House DMCC
		(m) Shirdi Commodities Private Limited	(m) Shirdi Commodities Private Limited
		(n) Shirdi Commosale Private Limited	(n) Shirdi Commosale Private Limited
		(o) Kamalraj Merchandise Private Limited	(o) Kamalraj Merchandise Private Limited
		(p) Chaturbhuj Vyapar Private Limited	(p) Chaturbhuj Vyapar Private Limited
(ii)	**Joint Venture**	(a) Oroitalia Chains Private Limited	(a) Oroitalia Chains Private Limited
(iii)	**Individuals owning (directly/ indirectly) an interest in the voting power of the Company that gives them control or significant influence (also the key management personnel and their Relatives)**	(a) Mr. Nillesh Parrekh - Chairman	(a) Mr. Nillesh Parrekh - Chairman
		(b) Mr. Umesh Parekh - Managing Director	(b) Mr. Umesh Parekh - Managing Director
		(c) Mr. Karan Parekh	
(iv)	**Enterprise over which persons mentioned in (iii) are able to exercise significant influence**	(a) Kalindi Enclave Private Limited	(a) Kalindi Enclave Private Limited
		(b) Safal Properties Private Limited	(b) Safal Properties Private Limited
		(c) Dhanteras Estates Private Limited	(c) Dhanteras Estates Private Limited
		(d) Swastik Wheat Product Agencies Private Limited	(d) Swastik Wheat Product Agencies Private Limited

Notes to Financial Statements for the year ended 31st March 2013

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

(a) Related parties with whom there have been transactions during the year ended 31st March 2013

[₹ in Lakhs]

Name of the party (nature of the relationship)	Investment	Purchases	Sale	Freight & Other Charges	Rent expense	Rent Income	Client Advance Received	Remuneration including commission on profit	Loan given	Repayment of Loan Given	Interest received / Receivable during the year	Loans Outstanding receivable / (payable) as at the year end	Receivable/ (payable) at year end
i) Enterprises directly / indirectly are common control with the Company													
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	–	–	–	–	–	–	–	–	–	–	–	14.68	–
Easy Fit Jewellery Limited	4,216.85	–	–	–	–	–	–	–	9,994.44	11,831.86	106.09	291.69	–
Gokul Jewellery House Private Limited	–	–	–	–	–	–	–	–	915.00	1,421.00	29.95	133.46	–
Veeyu India Private Limited	1,500.00	–	–	–	–	16.35	–	–	5,114.00	5,515.94	158.61	15.85	2.29
Alex Mercury Power Private Limited	–	–	–	–	–	–	–	–	700.25	–	434.74	5,241.22	–
Alex Spectrum radiation Private Limited	–	–	–	–	–	–	–	–	–	105.29	1.31	–	–
Shree Ganesh Jewellery House FZE	2,857.60	4,712.22	128,953.24	25.63	–	–	–	–	–	–	–	3.38	123,311.14
Sumit Jewels Private Limited	–	–	–	–	–	–	–	–	80.00	424.46	13.50	–	–
ii) Joint Venture													
Oroitalia Chains Private Limited	–	–	–	–	–	4.11	–	–	80.32	–	1.12	81.33	–
iii) Individuals owning (directly / indirectly) an interest in the voting power of the Company (also the key management personnel and their Relatives)													
Mr. Nillesh Parrekh	–	–	–	–	–	–	–	590.74	–	–	–	–	(334.30)
Mr. Umesh Parekh	–	–	–	–	–	–	–	590.74	–	–	–	–	(356.66)
Mr. Karan Parekh	–	–	–	–	–	–	189.00	–	–	–	–	–	(151.36)
iv) Enterprise over which persons mention in (iii) are able to exercise significant influence													
Kalindi Enclave Private Limited	–	–	–	–	6.00	–	–	–	–	–	–	–	(0.45)
Safal Properties Private Limited	–	–	–	–	72.00	–	–	–	–	–	–	–	–
Swastik Wheat Products Agencies Private Limited	–	–	–	–	6.00	–	–	–	–	–	–	–	(0.45)
Total	**8,574.45**	**4,712.22**	**128,953.24**	**25.63**	**84.00**	**20.46**	**189.00**	**1,181.48**	**16,884.01**	**19,298.55**	**745.32**	**5,781.61**	**122,470.21**

Notes to Financial Statements for the year ended 31st March 2013

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

(a) Related parties with whom there have been transactions during the year ended 31st March 2012

[₹ in Lakhs]

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

Notes to Financial Statements for the year ended 31st March 2013

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

The Company is engaged in the business of manufacture and sale of gold jewellery and other articles of various designs/ specification based on customer's requirements and the company's manufacturing facilities are located in India. The risk and returns of the Company are affected predominantly by the fact that it operates in different geographical areas i.e. domestic sales and export sales and accordingly geographical segment have been considered as the primary segment information.

In view of the fact that gold jewellery and other articles are manufactured and sold based on design/ specification specified by the customer there are no business segments to be reported under secondary segment information.

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the Company.

[₹ in Lakhs]

Primary segment disclosures	31st March 2013		
	31st March 2012		
	Domestic	Export	Total
1 Segment revenue			
External sales	**172,834.79**	**749,131.52**	**921,966.31**
	[133,432.01]	[525,714.64]	[659,146.65]
Add: Job work charges	**170.04**	**20.81**	**190.85**
	[199.74]	[0.00]	[199.74]
Add: Other income	**12.86**	**10,271.48**	**10,284.34**
	[0.00]	[7,978.28]	[7,978.28]
Add: Other unallocable income			**71.68**
			[89.66]
Total Revenue			**932,513.18**
			[667,414.33]
2 Segment results	**4,630.60**	**43,519.56**	**48,150.16**
	[4,283.89]	[31,314.69]	[35,598.58]
Less : Unallocable Expenses / (income) (net)			**2,291.42**
			-[6,781.36]
Less: Interest expense			**20,251.18**
			[12,649.80]
Profit before tax			**25,607.56**
			[29,730.12]
Less: Current tax			**227.40**
			[371.76]
Profit After tax			**25,380.16**
			[29,358.36]
3 Segment assets	**33,716.47**	**396,217.53**	**429,934.00**
	[36,264.87]	[246,956.22]	[283,221.09]
Add: Unallocable Corporate / other Assets			**122,042.60**
			[101,246.43]
Add: MAT Credit entitlement			**10,923.00**
			[5,733.00]
Add: Deferred Tax Asset			**459.99**
			[687.38]
Total assets			**563,359.59**
			[390,887.90]
4 Segment liabilities	**318.68**	**355,986.79**	**356,305.47**
	[17,022.08]	[155,361.49]	[172,383.57]
Add: Unallocable Corporate / other Liabilities			**(17,165.63)**
			[3,507.96]
Add: Loans			**59,723.49**
			[75,657.82]
Add: Provision for tax (net)			**398.71**
			[2,605.56]
Add: Proposed Dividend (including tax thereon)			**2,275.31**
			[4,231.60]
Total liabilities			**401,537.35**
			[258,386.51]
5 Cost incurred to acquire fixed assets	**2,081.65**	**52.64**	**2,134.29**
	[5,666.50]	[3,815.43]	[9,481.93]
Add: Unallocated (excluding capital advances)			**–**
			[209.31]
			2,134.29
			[9,691.24]
6 Depreciation/amortisation	**977.45**	**963.39**	**1,940.84**
	[443.04]	[1,796.06]	[2,239.10]
Add: Unallocated depreciation/amortisation			**388.73**
			[0.00]
			2,329.57
			[2,239.10]

Notes to Financial Statements for the year ended 31st March 2013

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

[₹ in Lakhs]

Secondary disclosure	31st March 2013 31st March 2012		
	Domestic	**Export**	**Total**
1 Carrying amount of segment assets by location of assets	221,123.74 [182,090.76]	342,235.85 [208,797.14]	563,359.59 [390,887.90]
2 Cost incurred to acquire segment fixed assets by location of assets (excluding capital advances)	2,134.29 [9,691.24]	– [0.00]	2,134.29 [9,691.24]

Figures in Bracket represent previous year's figure.

44 Based on the information available with the Company, there are no dues to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

45 The company has taken an office and other premises on operating lease. Minimum lease payment charged during the year to the Profit and Loss Account aggregated to ₹ 231.67 (previous year ₹ 182.92).

46 The previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year's presentation.

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Statement Regarding Subsidiary Companies as on March 31, 2013

PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956

[₹ in Lakhs]

1	Name of the Subsidiary Company	Gokul Jewellery House Pvt. Ltd.	Easy Fit Jewellery Ltd.	Sumit Jewels Pvt. Ltd.	Gaja Finance Pvt. Ltd.	Veeyu India Pvt. Ltd.	Alex Mercury Power Pvt. Ltd.	Shirdi Commosale Pvt. Ltd.	Shirdi Commodities Pvt. Ltd.	Kamalraj Merchandise Pvt. Ltd.	Chaturbhuj Vyapaar Pvt. Ltd.	Shree Ganesh Jewellery House FZE	Shree Ganesh Jewellery House (Singapore) Pte Ltd.	Shree Ganesh Jewellery House DMCC
2	Financial Period of the Subsidiary Company ended on	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
3	Holding Company's Interest	51.45%	100%	100%	100%	100%	100%	0%	0%	0%	0%	100%	100%	100%
4	Share Capital (Issued, Subscribed and Paid up)													
	Equity Share capital	54.92	350.00	3.62	225.00	750.41	1.00	1.00	1.00	1.00	1.00	3,290.66	2.74	66.67
	Preference Share capital	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Reserves (including Profit and loss Account- debit Balance)	780.18	12,995.94	476.72	28.32	1,057.99	(0.95)	(0.93)	(0.82)	(0.27)	(0.27)	38,421.82	(14.12)	(202.22)
6	Total Assets	1,527.32	37,733.29	2,658.82	257.49	1,846.61	5,252.85	2,804.17	1,939.72	2,073.73	2,072.28	181,052.22	4.65	2,598.36
7	Total liabilities	1,527.32	37,733.29	2,658.82	257.49	1,846.61	5,252.85	2,804.17	1,939.72	2,073.73	2,072.28	181,052.22	4.65	2,598.36
8	Investments (Except in subsidiaries)	–	15.13	–	–	–	–	–	–	–	–	–	–	–
9	Turnover	2,685.88	49,007.56	2,139.15	–	346.74	3.87	6.98	1.70	–	–	446,829.46	–	1,346.03
10	Total Income	2,767.26	50,207.42	2,147.12	20.58	356.58	3.87	6.98	1.70	0.98	1.28	446,829.83	–	1,346.79
11	Profit/(Loss) - (Before Tax)	64.96	738.69	30.89	20.12	23.87	(0.03)	(0.39)	(0.39)	(0.23)	(0.23)	21,755.45	(4.25)	(240.52)
12	Provision for Taxation (including deferred Taxes)	(14.88)	(77.86)	(0.60)	(6.26)	(10.20)	(0.33)	(0.17)	(0.05)	0.04	0.04	–	–	–
13	Profit/(Loss) After tax	50.08	660.83	30.29	13.86	13.67	(0.36)	(0.56)	(0.44)	(0.19)	(0.19)	21,755.45	(4.25)	(240.52)
14	Net Aggregate Profits/Losses for the current financial year since becoming subsidiary so far as it concerns the members of the holding company dealt with or provided for in accounts of the holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
15	Net Aggregate Profits/Losses for the current financial year since becoming subsidiary so far as it concerns the members of the holding company not dealt with or provided for in accounts of the holding Company	25.77	660.83	30.29	13.86	13.67	(0.36)	(0.56)	(0.44)	(0.19)	(0.19)	21,755.45	(4.25)	(240.52)
16	Net Aggregate Profits/Losses for the previous financial year since becoming subsidiary so far as it concerns the members of the holding company dealt with or provided for in accounts of the holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
17	Net Aggregate Profits/Losses for the previous financial year since becoming subsidiary so far as it concerns the members of the holding company not dealt with or provided for in accounts of the holding Company	104.76	5,214.25	396.66	14.46	1.12	(0.21)	(0.33)	(0.33)	(0.09)	(0.09)	14,573.08	(13.74)	(71.24)

Notes :

1. The above details are as on 31 March, 2013, Information on subsidiaries is provided in compliance with general circular no. 2/2011, Dated 8 February 2011, issued by Ministry of Corporate Affairs, Government of India. We undertake to make available the audited annual accounts and related informations of subsidiaries, where applicable, upon request of the shareholders, The annual accounts will also be available for inspection during business hours at our registered office in Kolkata, India
2. Shree Ganesh Jewellery House (Ghana) Limited was incorporated on 18/02/2013 as a wholly owned subsidiary of Shree Ganesh Jewellery House (I) Ltd. However, there was no transaction in the Company till the end of the financial year.
3. Proposed Dividend from other subsidiaries is Nil

*Exchange rate for Conversion : 1 AED = ₹ 14.7807 as on 31st March' 2013

*Exchange rate for Conversion : 1 Singapore $ = ₹ 43.7465 as on 31st March' 2013

Independent Auditor's Report

To
The Members of
Shree Ganesh Jewellery House (I) Limited
[Formerly known as Shree Ganesh Jewellery House Limited]

1. Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Shree Ganesh Jewellery House(I) Limited ('the Company'), its subsidiaries, associates and joint venture (collectively referred as "the Group") which comprise the Balance Sheet as at March 31st, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 .This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of subsidiaries, associates and joint venture included in the consolidated financial statements, which constitute total assets of ₹ 45,062.71 lacs as at March 31, 2013, total revenue of ₹ 3,75,023.89 Lacs and cash flows amounting to ₹ 582.71 Lacs for the year then ended these financial statements and the other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such auditors.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 ;

   c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;

   d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Pratik Niyogi
Partner
Membership No.: 066514

Place: Kolkata
Date: 27th May 2013

Consolidated Balance Sheet as at 31st March 2013

[₹ in Lakhs]

	Notes	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	6,482.65	6,068.25
Reserves and surplus	4	202,241.82	150,875.92
		208,724.47	**156,944.17**
Minority Interest		7,750.31	6,942.66
Non-Current Liabilities			
Long-term borrowings	5	31,141.37	34,590.94
Long-term provisions	6	52.28	34.38
		31,193.65	**34,625.32**
Current Liabilities			
Short-term borrowings	7	68,485.93	80,283.34
Trade payable	8	352,820.48	225,958.80
Other current liabilities	9	20,577.59	27,493.24
Short-term provisions	10	2,329.76	7,241.79
		444,213.76	**340,977.17**
		691,882.19	**539,489.32**
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	11	61,553.28	66,040.05
Intangible assets	11	49.87	69.39
Capital work in progress		891.28	1,657.45
		62,494.43	**67,766.89**
Non-current investment	12	1,652.46	601.96
Deferred tax asset (net)	13	3,004.43	721.21
Long term loans and advances	14	16,307.93	7,099.95
		20,964.82	**8,423.12**
Current Assets			
Current investment	15	15.14	1,362.47
Inventories	16	96,014.14	60,451.66
Trade receivables	17	395,983.18	300,190.01
Cash and cash equivalents	18	104,090.89	92,134.96
Short term loans and advances	19	10,178.46	7,529.95
Other current assets	20	2,141.13	1,630.26
		608,422.94	**463,299.31**
		691,882.19	**539,489.32**
Summary of Significant Accounting Policies	2		

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

As per our report attached

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March 2013

[₹ in Lakhs]

	Notes	Year ended 31st March 2013	Year ended 31st March 2012
Income			
Revenue from operations	21	1,297,251.19	1,012,097.11
Other income	22	10,703.99	8,978.86
		1,307,955.18	**1,021,075.97**
Expenses			
Cost of materials consumed	23	971,172.63	812,601.70
Purchases of stock-in-trade	24	247,727.50	161,274.12
Changes in inventories of work-in-progress & finished goods	25	3,442.93	(21,163.69)
Employee benefits expense	26	4,036.76	2,715.89
Finance cost	27	23,800.36	13,582.50
Depreciation and amortisation expense	11	9,047.33	2,906.25
Other expenses	28	4,601.22	2,695.85
		1,263,828.73	**974,612.62**
Profit Before Tax		**44,126.45**	**46,463.35**
Tax Expense			
Current tax [Includes MAT ₹ 5,299.16 (PY ₹ 6,166.85)]		5,416.20	6,431.64
Less: Mat credit entitlement		(5,299.16)	(6,166.85)
Net current tax		117.04	264.79
Deferred tax charge / (release)	13	(2,283.22)	95.75
Profit For The Year		46,292.63	46,102.81
Minorities share of profit / (loss)		(593.87)	4.89
		46,886.50	**46,097.92**
Basic and diluted earnings per share	31	77.24	75.97
Summary of Significant Accounting Policies	2		

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

As per our report attached

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Consolidated Cash Flow Statement for the year ended 31st March 2013

[₹ in Lakhs]

	31st March 2013		31st March 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before taxation		**44,126.45**		**46,463.35**
Adjusted for :				
Depreciation/ Amortisation	9,047.33		2,906.25	
Provision for Standard Assets	3.50		0.85	
Provision for NPA	1.53			
Unrealised foreign exchange (gain) / loss (net)	3,449.57		(13,380.57)	
Provision for Diminution for Investment	1.35		2.71	
Interest charged & finance charges(net)	23,800.36		13,582.50	
Dividend Received	(0.21)		(13.92)	
Preoperative expenses	(81.40)			
Short Term Capital Gain	(177.56)		(6.78)	
Miscellaneous provision written back	(8.58)		(45.67)	
	36,035.89		**3,045.37**	
Operating profit before working capital changes		**80,162.34**		**49,508.72**
Changes in :				
Trade and other receivables	(143,446.54)		(161,043.94)	
Inventories	(35,562.48)		(23,585.73)	
Trade payables / other liabilities	126,081.49	(52,927.53)	158,992.12	(25,637.55)
Cash generated from operations		**27,234.81**		**23,871.17**
Direct taxes paid (net)		(7,943.15)		(3,534.25)
NET CASH FLOW FROM OPERATING ACTIVITIES		**19,291.66**		**20,336.92**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets		(3,648.93)		(57,409.90)
Purchase of Investments		(1,018.18)		(601.96)
Sale of Investments		274.54		
Interest received		98.63		758.80
Loans Realisation		(5,714.01)		12.30
Investment in mutual fund		1.65		1,328.22
Investment in fixed deposit		1,344.33		9,941.57
Dividend received		0.21		13.92
NET CASH USED IN INVESTING ACTIVITIES		**(8,661.76)**		**(45,957.05)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from :				
- Proceeds from issue of Share Capital by Minorities Interest	1,399.80		5,812.24	
- Money raised through Preferential Shares Allotment	6,216.00			
- Long term borrowings	4,056.94		24,638.85	
- Short term borrowings	670,946.53	682,619.27	478,094.60	508,545.69
Repayment of:				
- Long term borrowings	(1,586.63)		(22.45)	
- Short term borrowings	(649,891.62)	(651,478.25)	(445,673.00)	(445,695.45)
Dividend Paid		(4,228.32)		(1,820.46)
Interest and finance charges		(25,586.67)		(13,928.49)
NET CASH FROM FINANCING ACTIVITIES		**1,326.03**		**47,101.29**
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		**11,955.93**		**21,481.16**
Opening cash and cash equivalents		92,134.96		70,057.82
Add:- Acquired on Acquisition		–		595.98
Closing cash and cash equivalents		**104,090.89**		**92,134.96**
Note				
CASH AND CASH EQUIVALENTS - CLOSING BALANCE				
Cash in hand		325.13		255.78
Balances with scheduled banks				
- Current account		6,260.72		3,757.71
- Deposit account		97,505.04		88,121.47
TOTAL		**104,090.89**		**92,134.96**

As per our report attached

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

Notes to Consolidated Financial Statements for the year ended 31st March 2013

1. BACKGROUND

Shree Ganesh Jewellery House (I) Limited ('the Company') formerly Shree Ganesh Jewellery House Private Limited, was incorporated in 2002. The Company is engaged in the business of manufacture and sale of handcrafted gold jewellery, diamond and studded jewellery. The name of the Company changed to Shree Ganesh Jewellery House Limited on conversion to public limited company with effect from 14th August 2007. During the year 2009-2010 the Company has made an Initial Public Offering (IPO) to issue 12,136,497 equity shares of face value ₹ 10 each at ₹ 260 each (including a securities premium of ₹ 250 each) and got listed on National Stock Exchange and Bombay Stock Exchange. During the year Company have further changed its name from Shree Ganesh Jewellery House Limited to Shree Ganesh Jewellery House (I) Limited with effect from 4th December, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Principles of Consolidation

The consolidated financial information is prepared in accordance with the principles and procedures prescribed by Accounting Standard 21-"Consolidated Financial Statements" ('AS-21') and Accounting for Investments in Associates in Consolidated Financial Statements (AS-23) prescribed by the Companies (Accounting Standards) Rules, 2006, for the purposes of preparation and presentation of consolidated financial statements.

The financial statements of the Company and its subsidiaries have been combined on a line-by- line basis by adding together the book values of similar items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions resulting in unrealised profits. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered in full. The amounts shown in respect of accumulated reserves comprise the amount of the relevant reserves as per the balance sheet of the Company and its share in the post acquisition reserves of its subsidiaries. The difference between the cost of the Company's Investments in the subsidiary and the equity capital of the subsidiary (as defined in Accounting Standard – 21) as on the date of investment, is treated as Goodwill / Capital Reserve, as the case may be.

(a) Companies considered in the fnancial statements are as follows:

Name	Country of Incorporation	% of voting power as at 31-03-2013	Date of subsidiary interest acquired by the Company
Gokul Jewellery House Private Limited	India	51.45	25-Jun-07
Shree Ganesh Jewellery House (Singapore) Pte Limited	Singapore	100	05-Oct-07
Easy Fit Jewellery Limited	India	100	04-Feb-08
Shree Ganesh Jewellery House FZE	U.A.E	100	25-Apr-10
Sumit Jewels Private Limited	India	100	19-May-10
Gaja Finance Private Limited	India	100	23-Jul-10
Veeyu India Private Limited	India	100	30-Apr-11
Alex Mercury Power Private Limited	India	100	30-May-11
Alex Astral Power Private Limited	India	55	30-May-11
Alex Spectrum Radiation Private Limited	India	55	30-May-11
Shirdi Commodities Private Limited	India	100	19-Aug-11
Shirdi Commosale Private Limited	India	100	19-Aug-11
Shree Ganesh Jewellery House DMCC	Dubai	100	04-Oct-11
Kamalraj Merchandise Private Limited	India	100	23-Jan-12
Chaturbhuj Vyapaar Private Limited	India	100	23-Jan-12
Alex Green Energy Private Limited	India	80	06-Feb-12

The Company has prepared the Consolidated Financial Statements by accounting for investment in associates under the equity method:

(b) The associate Company considered in the financial statements is as follows :

Name	Country of Incorporation	% of ownership interest as on 31.03.13
Oroitalia Chains Private Limited	India	50%

(ii) Basis of Accounting

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India ('GAAP') and comply with the Accounting Standards prescribed by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

(iii) Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements.

(iv) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Notes to Consolidated Financial Statements for the year ended 31st March 2013

(v) Fixed Assets

Fixed assets are carried at cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes freight, duties (net of VAT), taxes and other incidental expenses that are directly attributable to bringing assets to their working condition for their intended use.

(vi) Capital Work in Progress

Expenses relating to operations which are in progress and have not been commenced are accounted for under Capital Work in Progress. Income derived from fixed deposit has been accounted for under capital work in progress as a pre operative income.

(vii) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(viii) Depreciation/ Amortisation

Depreciation on fixed assets is provided under the written down value method at rates derived from the useful lives of such assets, as estimated by management. The rates of depreciation so derived are in line with the rates of depreciation prescribed by Schedule XIV to the Act.

Leasehold properties are amortised over useful life of the assets as estimated by management or the period of lease, whichever is lower.

Fixed assets individually costing ₹ 5,000 or less, are depreciated fully in the year of acquisition.

Goodwill arising on amalgamation is amortised over its estimated useful life of 5 years.

(ix) Impairment of Fixed Assets

At each Balance Sheet date, management assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs when the carrying value of an asset exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the present value as determined above.

(x) Investments

Non-current investments are stated at cost less amount written off, where there is a diminution in value other than temporary. Current Investments are valued at cost or Net Realisable Value, whichever is lower.

(xi) Inventories

Year-end inventory of raw materials and stones are carried at cost (net of VAT, wherever applicable). The carrying cost of raw materials and stones is appropriately written down when there is a decline in replacement cost of such materials and the finished products in which they will be incorporated are expected to be sold below cost.

Year-end inventory of work in progress and finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and finished goods comprises of direct material and labour expenses and an appropriate portion of production overheads incurred in bringing the inventory to their present location and condition. Fixed production overheads are allocated on the basis of production.

In determining cost, first in first out method is used.

Alloys and consumables are charged off to Profit and Loss Account.

(xii) Revenue Recognition

Revenue from sale of goods is recognised on transfer of risk and rewards of ownership of goods to the buyer. Sales are stated exclusive of sales tax. Excise duty is not applicable to the company. In respect of contract for sale of goods at prices that are yet to be fixed at the year end, adjustments to the provisional amount billed to the customers are recognised based on the year end closing gold rate.

Revenue from job work are recognised on an accrual basis when the related job work is rendered.

Revenue from generation of solar power is recognised on the basis of generation and transfer of electricity units.

In respect of commodity exchange transactions undertaken by the company, net gain/loss arising from settlement of such transactions during the year or restatement of such transactions that are pending settlement at the year end are recognised in the Profit and Loss account for the year. In respect of commodity exchange transaction undertaken on behalf of customers, brokerage received/ receivable is recognised on accrual basis when transactions are entered into on behalf of the customers.

Third party sales commission is recognised on an accrual basis in accordance with the terms of the related agreement.

Interest is recognised on time proportion basis.

(xiii) Employee Benefits

The Company's obligations towards various employee benefits have been recognised as follows:

Short Term Benefits

Cost of non-accumulated compensated absences is recognised when absences occur. Cost of other short term employee benefits are recognized on accrual basis based on the terms of employment contract and other relevant compensation policies followed by the Company.

Post Employment Benefits

Monthly contribution to Provident Funds, which is defined contribution scheme, is charged to Profit and Loss Account and deposited with the Regional Provident Fund Authorities on a monthly basis.

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used

Notes to Consolidated Financial Statements for the year ended 31st March 2013

for determining the present value of obligation under defined benefit plan is based on the market yield on government securities as at the Balance sheet date and have maturity period approximating to the terms of the obligation. Actuarial gains and losses are recognised immediately in the profit and loss account.

(xiv) Operating Leases

Lease rentals for operating leases are recognised as expenses in the Profit and Loss Account on a straight line basis over the lease term.

(xv) Foreign Exchange Transactions

Transactions in foreign currency are recognised at the exchange rates prevailing on the date of the transactions. Year-end monetary assets and liabilities denominated in foreign currencies, other than those covered by foreign exchange contracts, are translated at the year-end foreign exchange rates.

Gain / loss from exchange differences arising on settlement of foreign currency transaction or translation of year-end monetary assets and liabilities in foreign currency are recognised in the Profit and Loss Account for the year.

In case of forward exchange contracts, premium or discounts on such contracts are amortised over the life of the contract and exchange differences arising thereon in the reporting period are recognised in the Profit and Loss Account.

Translation of integral and non-integral foreign operation

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

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

(xvi) Taxation

Income tax expense comprises current tax (i.e. amount of taxes for the year determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in future except for deferred tax assets arising from unabsorbed depreciation or business losses brought forward from prior years that are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and written up or down to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The Company's units, located in Special Economic Zone (SEZ) are exempted from income tax (current tax) and one unit is partly exempted till 31 March 2014 under the provisions of section 10AA of the Income Tax Act, 1961. However Minimum Alternate Tax (MAT) is applicable in the profits derived from units located in Special Economic Zone (SEZ) w.e.f. 01.04.2011. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originates in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Deferred tax assets on unabsorbed depreciation and / or carry forward of losses are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

(xvii) Provisions and Contingent Liabilities

A provision is recognised in the financial statements when there exists a present obligation as a result of a past event, the amount of which can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be reliably estimated.

(xviii) Earnings Per Share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares and dilutive equity equivalent shares outstanding during the period, except when results would be anti dilutive.

(xix) Project Development Expenditure

Expenditure directly relating to project development activity is capitalised. Indirect expenditure incurred during the project development period is capitalised as part of the indirect project cost to the extent to which the expenditure is indirectly related to the development or is incidental thereto. Other indirect expenditure incurred during the development period which is not related to the project development activity nor incidental thereto is charged to the Profit and Loss Account.

(xx) Provision for Non Performing Assets

Loan receivables are written off / provided for, as per management estimates, subject to minimum provision required as per Non Banking (Non - Deposit Accepting or Holding) Companies prudential norms (Reserve Bank) Direction , 2007.

(xxi) Provision for Statutory Reserve

A Provision for statutory reserve has been created in the financial statements as prescribed under section 45- IC of Reserve Bank of India, 1934.

Notes to Consolidated Financial Statements for the year ended 31st March 2013

3. SHARE CAPITAL

[₹ in Lakhs]

		As at 31st March 2013	As at 31st March 2012
Authorised Shares			
115,000,000	(Previous Year - 70,000,000) Equity Shares of ₹ 10 each	11,500.00	7,000.00
2,666,667	(Previous year - 2,666,667) 0.0001 % Cumulative Convertible Preference Shares of ₹ 300/- each.	8,000.00	8,000.00
		19,500.00	**15,000.00**
Issued, Subscribed and fully Paid up shares			
64,826,485	(Previous Year - 60,682,485) Equity Shares of ₹10 each fully paid up	6,482.65	6,068.25
	(of the above share 36,048,144 equity share of ₹ 10 each are allotted fully paid up by way of bonus shares in the year 2009-10)		
		6,482.65	**6,068.25**

The Company has made an Initial Public Offer (IPO) to issue 12,136,497 Equity Shares of ₹ 10 each at ₹ 260 each (includes securities premium of ₹ 250 each) in the year 2009-2010. In the year 2010-2011, the Company has issued and allotted Equity Shares . Out of the fund raised from IPO amounting to ₹ 31,554.89, apart from meeting the IPO expenses of ₹ 2,332.34, the Company has utilised the proceeds of the issue amounting to ₹ 29,222.55 (P.Y ₹ 27,877.02) for setting up and expansion of manufacturing units, setting up of retail outlets, meeting working capital requirements and for general corporate purposes upto the year ended 31 March 2013.

Further the Company in the current year has allotted 4,144,000 (Previous Year Nil) Equity Shares of ₹ 10 each (includes security premium of ₹ 140 each) through Preferential allotment to Promoters and Promoters Group.

M/s. Easy Fit Jewellery Limited.

The Company duly passed the necessary resolution for Conversion to Public Limited Company on 20th day of April ' 2012 in terms of section 31 and 21 read with section 44 of Companies Act,1956 and Company has received approval from The Government of India, Ministry of Corporate Affairs, Registrar of Companies, West Bengal, India on 8th day of May 2012.

M/s. Alex Spectrum Radiation Pvt. Ltd.

As per the records of register of members and other declarations received from shareholders of M/s. Alex Spectrum Radiation Pvt. Ltd., The Companies shareholding represents both legal and beneficial ownership of shares in case of each shareholder, except in the case of Shirdi Commodities Pvt. Ltd., wherein the beneficial owner is Mrs. Kumud Parekh.

M/s. Alex Astral Power Pvt. Ltd.

As per the records of register of members and other declarations received from shareholders of M/s. Alex Astral Power Pvt. Ltd., the Companies shareholding represents both legal and beneficial ownership of shares in case of each shareholder, except in the case of Shridi Commodities Pvt. Ltd., wherein the beneficial owner is Mrs. Kumud Parekh.

M/s. Alex Green Energy Pvt. Ltd.

As per the records of register of members and other declarations received from shareholders of M/s. Alex Green Energy Pvt. Ltd., the Companies shareholding represents both legal and beneficial ownership of shares in case of each shareholder, except in the case of Chaturbhuj Vyapaar Pvt. Ltd., wherein the beneficial owner is Mrs. Kumud Parekh.

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

[₹ in Lakhs]

	31st March 2013		31st March 2012	
	No.	Amount	No.	Amount
At the beginning of the year	60,682,485	6,068.25	60,682,485	6,068.25
Add : Issued during the year - Through Preferential Allotment to promoters and Promoters Group	4,144,000	414.40	–	–
Outstanding at the end of the year	**64,826,485**	**6,482.65**	**60,682,485**	**6,068.25**

b. Terms / rights attached to equity shares

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

During the year ended 31st March 2013, The Board has recommended a Final Dividend of ₹ 3 [30% of the paid up equity share capital of the Company] per equity share of face value ₹10 each.

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

c. 72.54% of equity shares of the Company are held by the promoter group of the Company.

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

	31st March 2013		31st March 2012	
Name of the shareholder	No.	% holding	No.	% holding
Umesh Parekh	10,141,300	15.64%	9,475,300	15.61%
Kamlesh Shailendra Parekh	11,564,100	17.84%	9,085,100	14.97%
Nillesh Parrekh	9,557,200	14.74%	8,891,200	14.65%
Umesh Parekh HUF	5,582,000	8.61%	5,582,000	9.20%
Nilesh Parekh HUF	3,646,880	5.63%	3,646,880	6.01%
Credit Suisse Pe Asia Investments (Mauritius) Limited	3,200,000	4.94%	3,200,000	5.27%
Kumud Parekh	3,527,240	5.44%	3,194,240	5.26%

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

Notes to Consolidated Financial Statements for the year ended 31st March 2013

4. RESERVES AND SURPLUS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Capital Reserve	102.88	102.88
Amalgamation Reserve	585.67	585.67
Statutory Reserve		
At the commencement of the year	–	–
Add: Transfer from statement of Profit and loss	3.45	–
Balance at the end of the year	3.45	–
Securities Premium Account		
At the commencement of the year	38,751.61	38,751.61
Additions during the period:		
- on Preferential Allotment of Equity Shares to Promoter and Promoter Group [refer note 3]	5,801.60	–
Balance at the end of the year	44,553.21	38,751.61
General Reserve		
At the commencement of the year	7,286.81	4,350.76
Add: Transfer from statement of Profit and loss	2,538.02	2,936.05
Balance at the end of the year	9,824.83	7,286.81
Foreign Currency Translation Reserve	2,207.86	1,254.75
Surplus / (deficit) in the statement of Profit and Loss		
At the commencement of the year	100,394.20	63,963.93
Profit for the year	46,886.50	46,097.92
Less: Appropriations		
Proposed Equity Dividend	1,944.79	3,640.95
Dividend Tax	330.52	590.65
Transfer to Debenture redemption reserve	500.00	2,500.00
Transfer to General Reserve	2,538.02	2,936.05
Transfer to Statutory Reserve	3.45	–
Balance at the end of the year	141,963.92	100,394.20
Debenture Redemption Reserve		
At the commencement of the year	2,500.00	–
Add: Transfer from statement of Profit and loss	500.00	2,500.00
	3,000.00	2,500.00
	202241.82	**150,875.92**

5. LONG TERM BORROWINGS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Secured		
- 11% Non convertible debenture *	10,000.00	10,000.00
- Vehicle loan **	39.53	38.77
- Term loan from bank & Financial institution ***	21,101.84	24,552.17
	31,141.37	**34,590.94**

* Debentures are due for repayment at the end of 3rd, 4th and 5th year in the ratio of 30:35:35 from the date of allotment, viz, 20/12/2010 and 03/11/2010, ₹ 5,000.00 each. These are Secured by first charge on the Fixed Assets of the Company to the extent of 1.25 times of the value of non convertible debentures.

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

*** Term Loan includes:

(a) ₹ 808.00 from financial institutions which was taken during the financial year 2011-12 and carries interest @ 14.96% p.a. The loan is repayable in 40 monthly installments of ₹ 133.00 each along with interest from 21 March 2012. The loan is Secured By 100% shares & assets of some companies under the direct or indirect control of the same management and Fixed Deposits of ₹ 500.00. Further the loan has been guaranteed by irrevocable and unconditional Corporate Guarantee of the Holding Company & personal guarantee of key promoter of Holding Company, Mr. Nillesh Parrekh.

(b) Rupee Term loan amounting to ₹ 18,999.81 from Banks & FCNRB which were taken during the financial year 2011-12 and carries interest @ 13.25% p.a & LIBOR plus 4% p.a respectively. The Term loan is repayable in 48 quarterly installments starting from Quarter -II of the F.Y. 2012-13. The loan is Secured by pledge of 51% shares of the Company held by the sponsors & first charge over the entire fixed assets of the project, other moveable assets of the Company, all the bank balances of project & book debt, operating cash flows, all receivables including receivables on account of carbon credits from the Project, commissions, revenues of whatsoever nature and wherever arising, present and future. Further the loan has been secured by Corporate Guarantee of Shree Ganesh Jewellery House (I) Ltd., till the tenure of the loan.

(c) ₹ 1,294.03 from banks which were taken during the financial year 2011-12 and carries interest @ 13.65%. The loan is repayable in 56 quarterly installments starting from Quarter -II of the F.Y. 2012-13. The loan is Secured by pledge of 51% shares of the Company held by the sponsors & first charge over the fixed assets of the project and other assets of the company. Further the loan has been secured by the Corporate Guarantee of Shree Ganesh Jewellery House Ltd. (I) Ltd., till the tenure of the loan.

Notes to Consolidated Financial Statements for the year ended 31st March 2013

6. LONG TERM PROVISIONS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Employee benefits (Refer note 32)	52.28	34.38
	52.28	**34.38**

7. SHORT TERM BORROWING

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Secured Loans		
From Banks		
- Cash credit from banks*	34,637.02	30,061.57
- Bank overdraft **	2,370.76	2,408.50
- Post Shipment Credit***	6,683.75	6,155.70
- Buyers credit****	9,344.07	9,135.95
From other financial institutions		
- Other short term loan *****	9,972.65	18,074.05
Unsecured Loan		
- From banks & other financial institutions	–	12,000.00
- From directors & relatives (Interest free)	5,107.68	1,100.18
- From bodies corporate and others (Interest free)	370.00	897.39
- From others	–	450.00
	68,485.93	**80,283.34**

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

** Secured by way of lien on Fixed Deposit

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

**** Secured by pledge of 51% shares of the Company held by the sponsors & first charge over the fixed assets of the project and other assets of the company. Further the loan has been secured by Corporate Guarantee of Shree Ganesh Jewellery House (I) Ltd., till the tenure of the loan.

***** Secured by way of margin money and first charge on current assets of the Company, both present and future, excluding assets having specific charge of respective financing banks, and second charge on fixed assets of the Company, both present and future, irrevocable and unconditional Personal Guarantee of the Promoter Director.

8. TRADE PAYABLE

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Trade Payable	352,820.48	225,958.80
	352,820.48	**225,958.80**

9. OTHER CURRENT LIABILITIES

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Current maturities of long-term debt	35.58	42.39
Interest accrued but not due on borrowings	354.51	160.67
Unpaid dividends	9.37	6.09
Temporary book overdrafts	–	49.10
Foreign currency payable	702.20	717.61
Advance received from customers	465.71	438.27
Other Payables		
Statutory liability	159.67	230.20
Other payables	18,850.55	25,848.91
	20,577.59	**27,493.24**

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

10. SHORT TERM PROVISIONS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Employee benefits (Refer note 32)	48.57	33.54
Proposed dividend	1,944.79	3,640.95
Tax on proposed dividend	330.52	590.65
Provision for NPA (Refer note 35)	1.53	–
Provision for standard assets (Refer note 35)	4.35	0.85
Provision for taxation	–	2,975.80
	2,329.76	**7,241.79**

Notes to Consolidated Financial Statements for the year ended 31st March 2013

11. FIXED ASSETS

[₹ in Lakhs]

Description	Gross Block				Depreciation/ Amortisation				Net Block	
	As at 1st April 2012	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2013	As at 1st April 2012	For the year/ Adjustments	Deductions/ Adjustments	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible Assets										
Leasehold land	6,586.18	851.14	–	7,437.32	46.80	206.31	(7.32)	260.43	7,176.89	6,539.38
Freehold Land	834.71	389.87	–	1,224.58	–	–	–	–	1,224.58	834.71
Buildings										
- Freehold	4,633.81	1,381.83	–	6,015.64	447.53	394.63	1.28	840.88	5,174.76	4,186.28
- Leasehold (refer note below)	510.25	–	–	510.25	121.36	27.82	–	149.18	361.07	388.89
Plant & Equipment	54,956.50	1,610.70	86.77	56,480.43	2,632.69	8,004.30	3.12	10,633.87	45,846.56	52,323.81
Furniture & Fixtures	1,461.13	471.73	–	1,932.86	298.08	231.07	4.09	525.06	1,407.80	1,163.05
Office Equipments	72.01	20.57	–	92.58	28.95	10.15	0.28	38.82	53.76	43.06
Computers & related equipments	235.97	46.75	–	282.73	125.81	53.66	(0.16)	179.63	103.10	110.16
Vehicles	726.19	73.67	343.54	456.31	275.48	99.04	122.97	251.55	204.76	450.71
Total	**70016.75**	**4,846.26**	**430.31**	**74432.70**	**3,976.70**	**9,026.98**	**124.26**	**12,879.42**	**61553.28**	**66040.05**
Intangible Assets										
Goodwill	124.69	–	–	124.69	64.49	16.12	–	80.61	44.08	60.20
Computer Software	26.24	0.83	–	27.07	17.05	4.23	–	21.28	5.79	9.19
Total	**150.93**	**0.83**	**–**	**151.76**	**81.54**	**20.35**	**–**	**101.89**	**49.87**	**69.39**
Previous Year										
Tangible Assets	11,014.67	59,006.23	4.15	70,016.75	1,091.10	2,886.37	0.77	3,976.70	66,040.05	
Intangible Assets	435.29	3.02	287.38	150.93	348.96	20.44	287.86	81.54	69.39	

(a) Includes Gross Block ₹ 201.92 (Previous Year ₹ 201.92), Accumulated Depreciation ₹ 60.93 (Previous Year ₹ 53.51) and written down value ₹ 140.99 (Previous Year ₹ 148.41), jointly held with others.

(b) Includes Gross Block ₹ 102.93 (Previous Year 102.93) and Accumulated Depreciation ₹ 33.05 (Previous Year ₹ 25.28), which are yet to be registered in the name of the Company.

12. NON-CURRENT INVESTMENT

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Unquoted - at cost	1,652.46	601.96
	1,652.46	**601.96**

13. DEFERRED TAX ASSETS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Deferred Tax		
Deferred tax asset (net) included in the Balance Sheet comprise of :		
Deferred Tax Assets		
Excess of written down value of assets as per Income Tax Act, 1961 and net book value of such assets	1,010.11	23.08
(to the extent reversing after the period during which the Company is eligible for exemption under sections 10A and 10AA of the Income-tax Act, 1961)		
Provision for doubtful debts	–	127.83
Other timing differences	1,994.32	570.30
Deferred Tax Asset (net)	**3,004.43**	**721.21**

14. LONG TERM LOANS AND ADVANCES

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Unsecured and considered good		
Capital advances	401.02	52.81
MAT Credit Entitlement	11,026.68	6,166.85
Other Loan & Advances	3,874.80	–
Security deposit	1,005.43	880.29
	16,307.93	**7,099.95**

15. CURRENT INVESTMENT *

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
(Short term, other than trade, valued at cost)		
Quoted equity shares *	39.02	39.02
Less:- Provision for diminution in the value of investment	23.88	22.53
	15.14	**16.49**
Investments in mutual fund	–	1.65
Fixed Deposits	–	1,344.33
	15.14	**1,362.47**

* Aggregate value of quoted investment ₹ 15.14 (Previous Year ₹ 16.49)

Notes to Consolidated Financial Statements for the year ended 31st March 2013

16. INVENTORIES (At lower of cost and net realisable value)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Raw materials and stones	47,927.63	8,922.21
Work-in-progress *	20,779.28	14,708.32
Finished goods [includes goods in transit ₹ 3,442.62 (Previous year ₹ 2,664.60)]	27,307.23	36,821.13
	96,014.14	**60,451.66**

* Includes Stock lying with third parties ₹ 17,203.04 (Previous year ₹ 10,348.26). Closing stock excludes stock provided by third parties amounting to ₹ 88.64 (Previous Year ₹ 214.62) as at the year end.

17. TRADE RECEIVABLES (Unsecured)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Debts outstanding for a period exceeding six months from the date they are due for payment		
- considered good	50,619.78	3,608.90
- considered doubtful	–	393.98
	50,619.78	4,002.88
Less: Provision for doubtful debts	–	393.98
	50,619.78	3,608.90
Other debts - considered good	345,363.40	296,581.11
	395,983.18	**300,190.01**

18. CASH AND CASH EQUIVALENTS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Cash on hand	325.13	255.78
Balances with bank		
- on current accounts	6,251.35	3,751.62
- on unpaid dividend account	9.37	6.09
Other bank balances		
- on bank deposits *	97,505.04	88,121.47
	104,090.89	**92,134.96**

* Bank Deposit are held as margin money against various Secured Short Term Borrowings.

19. SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Retail Loan (Gold loan receivable)	1,410.75	340.47
Income tax (net of provision)	29.79	–
Foreign Currency Receivable	146.06	157.77
Other loan and advances	8,591.86	7,031.71
	10,178.46	**7,529.95**

20. OTHER CURRENT ASSETS

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Interest accrued but not due on deposits and loans given	2,141.13	1,630.26

21. REVENUE FROM OPERATIONS

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Sale of Products	1,288,639.03	1,011,348.74
Sale of Services:		
- Job work charges	733.93	199.74
- Electricity Units	7,461.34	500.89
- Interest income from gold loan	194.11	14.78
- Interest income from other loan	152.63	–
Other operating revenue	70.15	32.96
	1,297,251.19	**1,012,097.11**

22. OTHER INCOME

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Gain on foreign exchange fluctuation (net)	10,393.03	8,835.47
Dividend Income	0.21	13.92
Miscellaneous Income	310.75	129.47
	10,703.99	**8,978.86**

Notes to Consolidated Financial Statements for the year ended 31st March 2013

23. COST OF MATERIALS CONSUMED

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Opening stock	8,922.21	6,500.18
Add: Purchases	1,010,178.04	815,023.73
Less: Closing stock	47,927.62	8,922.21
	971,172.63	**812,601.70**

24. PURCHASES OF STOCK-IN-TRADE

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Gold Jewellery and articles	103,868.69	95,661.88
Precious/Semi precious stones	143,829.11	65,612.24
Others	29.70	–
	247,727.50	**161,274.12**

25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS & FINISHED GOODS

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Closing Stock		
- Work In Progress	20,779.28	14,708.32
- Finished Goods	27,307.24	36,821.13
Less :		
Opening Stock		
- Work In Progress	14,708.32	12,557.58
- Finished Goods	36,821.13	17,808.18
	(3,442.93)	**21,163.69**

26. EMPLOYEE BENEFITS EXPENSE

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Salaries and wages	2,815.41	1,723.25
Contribution to Employee Benefit Funds	35.70	25.85
Staff welfare expense	30.85	68.50
Directors Remuneration	1,154.80	898.29
	4,036.76	**2,715.89**

27. FINANCE COST

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Interest expense (net)	21,902.54	11,370.59
Other borrowing costs	1,897.82	2,211.91
	23,800.36	**13,582.50**

28. OTHER EXPENSES

[₹ in Lakhs]

	Year ended 31st March 2013		Year ended 31st March 2012
Alloys and consumables consumed		18.99	30.01
Power and fuel		144.27	109.07
Rent (refer Note 38)		539.32	184.17
Repairs & maintenance			
- Building		37.60	31.78
- Machinery		11.37	6.70
- Others		69.19	4.23
Insurance		177.45	114.31
Debtors Written off	393.98		
Less : Already Provided for	(393.98)	–	–
Rates and taxes		24.02	12.61
Sales promotion expenses		411.77	415.29
Legal and consultancy charges		328.14	243.87
Job work charges		264.70	132.07
Auditor remuneration (Refer note 36)		26.41	22.91
Travelling expense		414.40	322.86
Provision for standard assets (Refer note 35)		3.50	0.85
Provision for NPA (Refer note 35)		1.53	–
Provision for diminution in investment		1.35	2.71
Miscellaneous expenses		2,127.21	1,062.41
		4,601.22	**2,695.85**

29. ESTIMATED CAPITAL COMMITMENTS NOT PROVIDED FOR (NET OF ADVANCE)

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
Bank Guarantee	337.70	1,013.25
Other Commitments	377.43	894.03

Notes to Consolidated Financial Statements for the year ended 31st March 2013

30. CONTINGENT LIABILITIES

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
i. Corporate Guarantees given		
- on behalf of subsidiaries	10,500.00	8,600.00
- on behalf of holding Company by subsidiary	58,350.00	10,000.00
- on behalf of other group companies	34,160.00	35,288.00
ii. Bills Discounted	159,847.36	123,369.63
iii. Claims against the Company in respect of Sales Tax matters not acknowledged as debts	2,645.30	318.51

31. BASIC AND DILUTED EARNINGS PER SHARE

	Year ended 31st March 2013	Year ended 31st March 2012
(a) Calculation of weighted average number of equity shares of ₹ 10 each for basic earnings per share.		
Number of equity shares at the beginning of the year	60,682,485	60,682,485
Fresh issue of Equity shares - Through Preferential Allotment to promoters and Promoters Group	4,144,000	–
Weighted average number of equity shares outstanding during the year for basic EPS	60,705,192	60,682,485
(b) Net profit attributable to equity shareholders	46,886.50	46,097.92
(c) Basic and Diluted earnings per equity share (₹)	77.24	75.97
(Face value per Equity Share of ₹ 10 each)		

60,682,485 (Previous Year 60,682,485) equity shares outstanding for 365 days and 4,144,000 (Previous Year Nil) equity shares outstanding for 2 days

32. The details of employee benefits for the year on account of gratuity which is unfunded defined employee benefit plan is as under.

[₹ in Lakhs]

	As at 31st March 2013	As at 31st March 2012
(a) Component of Employer Expense		
Current service cost	18.21	15.53
Interest cost	3.15	4.69
Actuarial (Gains) / Losses	0.05	(38.95)
Total Expenses recognised in the Statement of Profit & Loss Account	**21.41**	**(18.73)**
(b) Change in Defined Benefit Obligation (DBO)		
Present value of DBO at the beginning of period	35.76	54.49
Current service cost	18.21	15.53
Interest cost	3.15	4.69
Actuarial (Gains) / Losses	0.05	(38.95)
Benefits Payments	(0.67)	–
Present Value of DBO at the year end	**56.50**	**35.76**
Current liability	4.22	1.38
Non current liability	52.28	34.38
	56.50	35.76
Actuarial Assumptions		
Discount Rate	**8.30%**	**8.90%**

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

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

33. RELATED PARTIES DISCLOSURE IN ACCORDANCE WITH AS - 18 PRESCRIBED BY COMPANIES (ACCOUNTING STANDARD) RULES, 2006

		2012-2013	2011-2012
(i)	**Enterprises directly / indirectly are under common control with the Company**	(a) Umesh Parekh - (HUF)	(a) Umesh Parekh (HUF)
			(b) Nilesh Parekh (HUF)
			(c) Liberson Dealcomm Private Limited
			(d) Aastha Complex Private Limited
(ii)	**Individuals owning (directly/ indirectly) an interest in the voting power of the Company that gives them control or significant influence (also the key management personnel)**	(a) Mr. Nillesh Parrekh- Chairman	(a) Mr. Nillesh Parrekh- Chairman
		(b) Mr. Umesh Parekh- Managing Director	(b) Mr. Umesh Parekh - Managing Director
		(c) Mrs. Kumud Parekh	(c) Mrs. Kumud Parekh
		(d) Mr. Hitesh Dhinoja	(d) Mr. Hitesh Dhinoja
		(e) Mr. Pranay Kumar Surekha	(e) Mr. Pranay Kumar Surekha
		(f) Mr. Manoj Dalal	(f) Mr. Manoj Dalal
		(g) Mr. Chintan Ojha	(g) Mr. Chintan Ojha
		(h) Mr. Karan Parekh	(h) Mr. Karan Parekh
		(i) Mr. Nischay Parekh	(i) Mr. Nischay Parekh
		(j) Mr. Pratyush Kumar Surekha	(j) Mr. Pratyush Kumar Surekha
			(k) Mr. Kamlesh Parekh

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

		2012-2013	2011-2012
(iii)	Enterprises over which person mentioned in (ii) along with the relatives are able to exercise significant influence. (with whom transactions have occurred during the year)	(a) Carvan Creation Pvt. Ltd.	(a) Kalindi Enclave Pvt. Ltd.
		(b) Kalindi Enclave Private Limited	(b) Safal Properties Private Limited
		(c) Safal Properties Private Limited	(c) Dhanteras Estates Pvt. Ltd.
		(d) Swastik Wheat Products Agencies Private Limited	(d) Carvan Creations Pvt. Ltd.
			(e) Swastik Wheat Products Agencies Private Limited
		(e) Dhanteras Estates Pvt. Ltd.	

[₹ in Lakhs]

Name of the Party	Nature of Transaction	Year Ended 31st March 2013	Year Ended 31st March 2012
Carvan Creation Pvt. Ltd.	Share Application money received	570.00	–
	Share Application money refunded	170.00	
	Share Application money pending allotment	400.00	–
	Receivable/ (Payable) as at the year end	–	(450.00)
Dhanteras Estates Pvt. Ltd.	Rent Expense	269.66	0.11
	Receivable/ (Payable) as at the year end	40.94	(0.11)
Kalindi Enclave Private Limited	Rent Expense	6.00	6.00
	Receivable/ (Payable) as at the year end	(0.45)	–
Safal Properties Private Limited	Rent Expense	72.00	75.09
Swastik Wheat Products Agencies Private Limited	Rent Expense	6.00	6.00
	Receivable/ (Payable) as at the year end	(0.45)	–
Chintan Ojha	Remuneration	24.00	–
	Receivable/ (Payable) as at the year end	(6.00)	–
Hitesh Dhinoja	Loan Taken	–	0.50
	Repayment of loan Taken	0.50	–
	Loans Receivable / (payable) outstanding	–	(0.50)
	Remuneration	24.00	–
	Receivable/ (Payable) as at the year end	(6.00)	–
Karan Parekh	Client advance received	189.00	–
	Remuneration	216.00	–
	Receivable/ (Payable) as at the year end	(205.36)	–
Kumud Parekh	Repayment of loan Taken	12.00	
	Loans Receivable / (payable) outstanding	–	(12.00)
Nillesh Parrekh	Loan Taken	3,942.00	1,788.00
	Repayment of Loan Taken	1,650.00	–
	Repayment of Loan Given	–	1,955.83
	Loans Receivable / (payable) outstanding	(3,074.68)	(782.68)
	Remuneration including commission on profit	591.70	447.79
	Receivable/ (Payable) as at the year end	(335.26)	(145.31)
Nischay Parekh	Remuneration	216.00	–
Pranay Kumar Surekha	Repayment of Loan Taken	–	0.30
	Remuneration	101.75	–
Pratyush Kumar Surekha	Remuneration	101.75	–
Umesh Parekh(HUF)	Repayment of Loan Taken	–	60.00
	Loans Receivable / (payable) outstanding	(105.00)	(105.00)
Umesh Parekh	Loan Taken	4,549.00	–
	Repayment of Loan Taken	2,671.00	150.00
	Loans Receivable / (payable) outstanding	(1,928.00)	(50.00)
	Remuneration including commission on profit	591.70	447.79
	Receivable/ (Payable) as at the year end	(357.62)	(145.31)

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

The Company is engaged in the business of manufacture and sale of gold jewellery and other articles of various designs/ specification based on customer's requirements and the company's manufacturing facilities are located in India. Further the Company through its subsidiaries is engaged in generation of solar power and lending against gold and other assets. The risk and returns of the group are affected predominantly by the fact that it operates in different businesses i.e. Jewellery, Solar Power & lending against gold and accordingly business segment have been considered as the primary segment information.

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

Segment information has been prepared in conformity with the accounting policies adopted for preparation and presentation of the financial statements of the Company.

[₹ in Lakhs]

Primary segment disclosures (Business segment)		31st March 2013 31st March 2012 Amount
1	**Segment revenue**	
	Jewellery	**1,289,008.39**
		[1,011,238.68]
	Power Sector	**7,473.89**
		[500.89]
	Others	**356.53**
		[32.54]
	Other Unallocable Income	**11,116.37**
		[9,303.86]
	Total Revenue	**1,307,955.18**
		[1,021,075.97]
2	**Segment results**	
	Jewellery	**71,215.91**
		[61,763.40]
	Power Sector	**7,464.08**
		[370.15]
	Others	**356.54**
		[13.03]
	Segment Total	**79,036.53**
		[62,146.58]
	Unallocated Income / (Expense) (net)	**(11,109.72)**
		-[2,100.73]
	Profit Before Interest and Taxation	**67,926.81**
		[60,045.85]
	Interest Expenses(net)	**23,800.36**
		[13,582.50]
	Profit before taxation	**44,126.45**
		[46,463.35]
	Less: Current tax	**(2,166.18)**
		[360.54]
	Profit After taxation	**46,292.63**
		46,102.81
	Minority Interest	**(593.87)**
		[4.89]
	Profit after Taxation before Minority Interests	**46,886.50**
		[46,097.92]

Notes to Consolidated Financial Statements for the year ended 31st March 2013

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

[₹ in Lakhs]

	Segment Assets Amount	Segment Liabilities Amount
3 Other Information		
Jewellery	**514,981.64**	**387,884.13**
	[381,081.34]	[245,379.45]
Power Sector	**50,572.97**	**131.55**
	[61,441.51]	[4,549.06]
Other	**78.02**	**0.22**
	[822.09]	[17.40]
Segment Total	**565,632.63**	**388,015.90**
	[443,344.94]	[249,945.91]
Unallocated Corporate Assets/Liabilities	**112,188.66**	**(14,511.10)**
	[89,256.32]	[3,574.90]
Advance Income Tax (Net)/Provision for Tax (Net)	**29.79**	**–**
	[0.00]	[2,975.80]
Loan	**–**	**99,627.30**
	[0.00]	[114,874.28]
Proposed Dividend	**–**	**1,944.79**
	[0.00]	[3,640.95]
Tax on proposed dividend	**–**	**330.52**
	[0.00]	[590.65]
MAT Credit Entitlement	**11,026.68**	**–**
	[6,166.85]	[0.00]
Deferred Tax Asset	**3,004.43**	**–**
	[721.21]	[0.00]
Minority Interest	**–**	**7,750.31**
	[0.00]	[6,942.66]
Total	**691,882.19**	**483,157.72**
	[539,489.32]	[382,545.15]

[₹ in Lakhs]

	Capital Expenditure	Depreciation	Significant non cash expenses other than depreciation and amortisation
Jewellery	**3,052.75**	**2,561.37**	**–**
	[10,657.18]	[2,333.75]	[0.00]
Power Sector	**1,782.82**	**6,471.52**	**–**
	[47,053.42]	[569.77]	[0.00]
Others	**11.52**	**14.44**	**–**
	[56 .10]	[2.73]	[0.00]
Segment Total	**4,847.09**	**9,047.33**	**–**
	[57,766.70]	[2,906.25]	[0.00]

* (included in measuring segment results)

[₹ in Lakhs]

Secondary Disclosure (Geographical Segments)	31st March 2013	31st March 2012
1 Revenue from external customers by location of customers		
- Within India	183,265.98	[434,698.17]
- Outside India	1,123,501.79	[577,398.95]
- Unallocated	(7,056.08)	[1,197.25]
Total	**1,299,711.69**	**[1,013,294.37]**
2 Carrying amount of Segment Assets by location of assets		
- Within India	254,457.98	[231,756.75]
- Outside India	437,424.21	[307,732.57]
Total	**691,882.19**	**[539,489.32]**
3 Cost to acquire tangible and intangible fixed assets by location of assets		
- Within India	4,047.67	[56,847.72]
- Outside India	799.42	[918.98]
Total	**4,847.09**	**[57,766.70]**

Notes to Consolidated Financial Statements for the year ended 31st March 2013

35. PROVISION FOR STANDARD AND NON PERFORMING ASSETS AS PER PRUDENTIAL NORMS :

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

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
Non Performing Assets	7.65	–
Standard assets	1,403.10	340.47
Provision required as per prudential norms	5.88	0.85
Provisions already available	0.85	–
Provisions made during the year	5.03	0.85

36. AUDITOR'S REMUNERATION INCLUDES

[₹ in Lakhs]

	Year ended 31st March 2013	Year ended 31st March 2012
- As auditor	21.74	18.37
- For taxation matter	1.50	1.50
- For other services	3.17	3.04
	26.41	**22.91**

37 Based on the information available with the Company, there are no dues to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006

38 The Company has taken an office and other premises on operating lease. Minimum lease payment charged during the year to the Statement of Profit and Loss Account aggregated to ₹ 539.32 (Previous year ₹ 184.17)

39 The Company has incurred a loss of ₹ 83.33 due to loss of asset by storm. The company has filed a claim against the same amounting to ₹ 83.03 with the Insurer. The income from the same will be recognized as and when realized.

40 The Company gives loan against gold as a security. The Gold held as security consisting Gross Weight 82,996.20 grams, Net Weight 72,581.02 gm and is valued at ₹ 2,247.54/- (G.W) and ₹ 1,965.49/- (N.W) as on 31.03.2013.

41 Statutory Reserve represents the reserve fund created under section 45 - IC of the Reserve Bank of India Act, 1934.

42 The previous year's figures have been regrouped or reclassified wherever necessary to conform with the current year's presentation.

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

For and on behalf of the Board of Directors

Pratik Niyogi
Partner
Membership No.: 066514

Nillesh Parrekh
Chairman

Umesh Parekh
Managing Director

Mukund Chandak
Company Secretary

Place: Kolkata
Date: 27th May, 2013

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the members of Shree Ganesh Jewellery House (I) Limited will be held on Friday, the 6th day of September 2013 at 11.00 a.m. at Vidya Mandir, 1 Moira Street, Kolkata – 700 017, to transact the following business:

Ordinary business

1. To receive, consider and adopt the audited balance sheet of the Company as on 31st March 2013 and the statement of profit and loss for the financial year ended on that date together with the reports of the Auditors and Directors thereon.
2. To declare dividend for financial year ended 31st March 2013.
3. To appoint a Director in place of Mr. Dwarka Prasad Mathur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Satish Chandra Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and fix their remuneration; and to pass with or without modification, the following resolution as an Ordinary Resolution:

   "RESOLVED that M/s Chaturvedi & Partners, Chartered Accountants, 1/1 Meredith Street, Kolkata – 700 072, Firm Registration No. 307068E, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company, at an annual remuneration to be decided by the Board of Directors."

Registered Office:
413, Vardaan Market,
25A Camac Street,
Kolkata – 700 016
Date : 27th May 2013

By order of the Board

Company Secretary

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself, and the proxy need not be a member of the Company. A proxy form, duly completed, should be deposited at the registered office of the Company not less than 48 hours before the scheduled time of the Annual General Meeting. A blank proxy form is enclosed.
2. The disclosures required under Clause 49 of the Listing Agreement in respect of the Directors seeking re-appointment at the Annual General Meeting are given as an annexure to this notice.
3. The Register of Members and the share transfer book of the Company will remain closed from 31.08.2013 to 06.09.2013 (both days inclusive).

i. The dividend, if declared, will be paid to those members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on 30.08.2013.

ii. In respect of shares held in electronic form, the dividend shall be paid to the beneficial owners, as per the list to be provided by the depositories for the said purpose at the close of the business hours on 30.08.2013.

4. Members are requested to notify immediately any change of address:

i. To their depository participants (DPs) in respect of their electronic share accounts, and

ii. To the Company at its registered office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend warrants.

5. The annual accounts of the subsidiary companies of the Company are available for inspection by any shareholder in the head office of the holding and concerned subsidiary companies and the hard copy of the same and related detailed information will be furnished, on demand, to any shareholder.

6. Members are requested:
   i. To bring their copies of the annual report, notice and attendance slip at the time of the meeting.
   ii. To quote their folio no./ ID No. in all correspondence.

Details of Directors seeking re-appointment at the Annual General Meeting (Item no. 3 and 4)

Name of the Directors	Mr. Dwarka Prasad Mathur	Mr. Satish Chandra Chaturvedi
Date of birth	05.04.1940	18.01.1946
Nationality	Indian	Indian
Date of appointment on the Board	09.09.2009	21.11.2007
Qualifications	M.A. (Economics)	B.Com, FCA
Brief resume and expertise in specific functional area	Mr. Dwarka Prasad Mathur holds a masters degree in economics from the University of Rajasthan, Jaipur. He was associated with the Directorate of Economics and Statistics, Government of Rajasthan from 1960 to 1961 and was associated thereafter with the Perspective Planning Division, Planning Commission, New Delhi. He was responsible for undertaking village studies to focus on changes on account of development programmes initiated by the government during his association with the Agro-Economic Research Center, Sardar Patel University, Vallabh Vidyanagar. From 1967 to 1999, he was associated with the Center for Management in Agriculture, Indian Institute of Management, Ahmedabad and has conducted case studies on evaluation of government sponsored development programmes, processing of agricultural products, farm mechanization, post harvest technology and the feasibility of setting up agro-based industries. He has also been associated with the Food and Agricultural Organisation of the United Nations, Rome as a Resource Person from 1984 to 1986. He has also been a director of the CSIRER, Shivaji University, Kolhapur	Mr. Satish Chandra Chaturvedi is a practicing chartered accountant and is partner of Chaturvedi and Co., a chartered accountancy firm. He started his career as the main partner of his firm and he is associated with many renowned public and private sector companies as auditors. He has an experience of 40 years. He has been associated with our Company since November 2007

	He was associated with the Maharashtra Pollution Control Board, Central Leather Research Institure, Ministry of Commerce, the Ministry of Rural Development and is currently the member secretary of the International Institute of Sustainable Development and Management, Ahmedabad. He has been associated with our Company since September 2009.	
Directorships held in other public companies (excluding foreign companies)	Nil	Nil
Membership/ chairmanship of Committees of other public companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Nil	Nil
Number of shares held in the Company	Nil	Nil

Registered Office:
413, Vardaan Market,
25A Camac Street,
Kolkata – 700 016
Date : 27th May 2013

By order of the Board

Company Secretary

Shree Ganesh JEWELLERY HOUSE (I) LTD.

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

PROXY FORM

I/We ....of...

in the district of..being member/s of Shree Ganesh Jewellery House (I) Limited hereby appoint...of ....in the district of...

or falling him..of...

in the district of ....as my / our proxy to vote for me / us on my/our behalf at the Eleventh Annual General Meeting of the company to be held on Friday, September 6, 2013 at 11.00 a.m and any adjournment thereof.

Signed this .... day of...............................2013.

Folio No. ....

DP ID No. ....

Client ID No. ....

Please Affix Re.1 Revenue Stamp

Signature ……………………………………

Note:

The proxy duly completed must be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting.

Shree Ganesh JEWELLERY HOUSE (I) LTD.

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

ATTENDANCE SLIP

I hereby record my presence at the Eleventh Annual General Meeting of the company on Friday, September 6, 2013 at 11.00 a.m at Vidya Mandir, 1 Moira Street, Kolkata – 700 017.

Folio No. or Client ID & DP ID No. ....

Full Name of the* Shareholder / Proxy
(in BLOCK LETTERS)
*Strike out which ever is not applicable

Signature of the* Shareholder / proxy

Notes:

1. Members/Proxyholders who wish to attend the Annual General Meeting (AGM) must bring their Admission Slips to the AGM and hand over the same duly signed at the entrance. Duplicate Admission Slips will not be issued at the venue.
2. Members/Proxyholders desiring to attend the meeting are requested to bring their copy of Annual Report for reference at the Meeting.

Corporate Information

Board of Directors

Mr. Nillesh Parrekh – Chairman
Mr. Umesh Parekh - Managing Director
Mr. Pawan Singh Ingty
Mr. Sharad Mohata
Mr. Satish Chandra Chaturvedi
Mr. Dwarka Prasad Mathur

Chief Financial Officer

Mr. Ashok Prakash Sahni

Company Secretary

Mr. Mukund Chandak

Auditors

M/s. Chaturvedi & Partners

Bankers & Financiers

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

Offices

Registered Office
413 Vardaan Market
25A Camac Street,
Kolkata - 700 016
Phone: 033 3028 9188
Fax 033 3022 5903

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

Factories

1. Manikanchan SEZ,
Sector V, Saltlake,
Kolkata – 700 091
Ph: 033 2367 5491
Fax 033 2367 5492
2. Mouza Domjur
Sasthitala, District Howrah - 711405
Phone: +91 8443033401
3. Mondalpara Lane,
Mondalpara, Kolkata - 700 090
Phone: 033 3221 6433

www.sgjhl.com

Shree Ganesh
JEWELLERY HOUSE (I) LTD.

Shree Ganesh JEWELLERY HOUSE (I) LTD.
(Formerly Shree Ganesh Jewellery House Limited)
Avani Signature, 91A/1, Park Street, Block-402, 4th Floor, Kolkata-700016, West Bengal, India
Phone: +91 33 3025 9382/92, Fax: +91 33 4007 1623/24

Date: 08.08.2013

To,
The Bombay Stock Exchange Limited
Phiroj Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub : Annual Report 2012-13
Ref: Scrip Code- 533180

As per clause 31 (a) of the Listing Agreement, please find enclosed herewith six copies of Annual Report for the year ended March 31, 2013 along with Form A.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Shree Ganesh Jewellery House (I) Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time …. / repetitive …. / since how long period …..
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	

This is for your information and records.

Thanking you.
Yours faithfully,

SHREE GANESH JEWELLERY HOUSE (I) LIMITED

Managing Director

Encl: As Above