



NEOGEM INDIA LIMITED

Always Innovative

ANNUAL REPORT 2012 - 2013



BOARD OF DIRECTORS

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

Shri. Mahindra Doshi	-	Executive President
----------------------	---	---------------------

AUDITORS

M/s. Ashok Bairagra & Associates

Chartered Accountants
Mumbai

BANKERS

Punjab National Bank
Bank of India

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

M/s. System Support Services

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

CONTENTS	Page No.
Notice	2
Directors' Report	10
Corporate Governance Report	13
Management Discussion & Analysis Report	21
Auditors' Report	23
Balance Sheet	26
Profit & Loss Account	27
Cash Flow Statement	28
Notes on Accounts	29



NOTICE

NOTICE is hereby given that the Twenty-second Annual General Meeting of the Members of **Neogem India Limited** will be held on Monday, 30th September 2013 at 1.30 p.m. at Hotel Tunga Paradise, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, Profit and Loss Account (Statement of Profit and Loss) for the year ended on that date and the Schedules together with the Reports of the Directors and Auditor thereon.
2. To appoint a Director in place of Mr. Jayant Nagarkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Ashok Bairagra & Associates, (having Firm Registration No. 118677W) Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass with or without modification if any, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be increased from Rs.10,00,00,000/- (Rupees Ten Crores Only) comprising of 1,00,00,000 Equity Shares of Rs.10/- each to Rs.20,00,00,000/- (Rupees Twenty Crores Only) by further creation of 1,00,00,000 Equity Shares of Rs.10/- each ranking pari passu with the existing equity shares.

RESOLVED FURTHER THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 the existing Clause V of the Memorandum of Association of the Company be deleted and following Clause V be substituted therefore as Clause V:

- V. The Authorised Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupee Ten Only) each

The Company has power from time to time to increase or reduce its capital and divide the share in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions, as may be determined by and in accordance with the Articles of Association of the Company and to vary, modify or aggregate any such rights, privilege, conditions or restrictions, in such manner as may be from time to time be permitted by the Articles of Association of the Company or the legislative provisions from the time being in force in that behalf."

5. To consider and, if thought fit to pass with or without modification, if any, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be deleted and the following Article be substituted as new Article 3:

3. The Authorised Share Capital of the Company shall be as mentioned in Clause V of the Memorandum of Association of the Company.

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof), and subject to the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and in accordance with guidelines prescribed by the Securities and Exchange Board of India ("SEBI"), or any other relevant authority and clarifications thereon issued from time to time, if any, and subject to all such approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of



them while granting such approvals and permissions or sanctions as may be necessary ("Approvals") and any conditions and/or modifications as may be prescribed, stipulated or imposed by any such Approvals and/or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include a duly authorized Committee thereof for the time being exercising the powers conferred upon the Board by this resolution), the consent of the members of the Company be and is hereby accorded to the Board to create, offer and issue, on a preferential allotment basis, upto 15,60,000 Fully Convertible Equity Share Warrants carrying an entitlement to subscribe to an equivalent number of Equity Shares of Rs.10/- each at an exercise price of Rs. 18/- (Rs.10 each at premium of Rs. 8/- each), being the price calculated with respect to the Relevant Date i.e. 31st August 2013, as prescribed under Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 to the promoter group whose names are mentioned below:

Sr. No.	Name of Persons to whom share warrants to be allotted	Maximum no. of Share Warrants to be allotted	No. of Equity Shares upon Conversion within 18 months from the date of allotment	Equity Shareholding before Preferential Issue of Equity Share Warrants		Equity Shareholding after Preferential Issue of Equity Share Warrants upon conversion	
				No. of Shares	% of Share holding	No. of Shares	% of Share holding
1	Rekha Doshi	2,39,600	2,39,600	10,59,950	13.45	12,99,550	13.77
2	Ronak Doshi	3,10,200	3,10,200	8,39,800	10.66	11,50,000	12.18
3	Gaurav Doshi	3,10,200	3,10,200	8,39,800	10.66	11,50,000	12.18
4	Reshma Doshi	3,50,000	3,50,000	2,00,000	2.54	5,50,000	5.83
5	Vaitasi Doshi	3,50,000	3,50,000	2,00,000	2.54	5,50,000	5.83
	Total	15,60,000	15,60,000				

RESOLVED FURTHER THAT the Fully Convertible Equity Share Warrants shall be issued by the Company on the following terms and conditions:

- i) An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Equity Share Warrants shall be payable at the time of making the application for the Equity Share Warrants, which will be kept by the Company as application money to be adjusted and appropriated against the price of the Equity Shares payable by the Equity Share Warrant Holders at the time of exercising the option.
- ii) The option to acquire the 15,60,000 Equity Shares shall be exercised by the Share Warrant Holders in one or more tranches within the period of 18 months from the date of allotment of the Share Warrants.
- iii) In the event, if the Equity Share Warrant Holders do not exercise the option under the share warrants on or before the expiry of 18 months from the date of allotment of the Equity Share Warrants, the Equity Share Warrants shall lapse and the application money of 25% as indicated in point (i) above shall stand forfeited by the Company.
- iv) The Equity Share Warrants and the Equity Shares arising from exercising the option under the Equity Share Warrants shall be subject to a lock-in as prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- v) The issue of the Equity Share Warrants as well as the Equity Shares arising from exercising the option under the Equity Share Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and also the Regulations issued by SEBI or any other authority as the case may be, or any modification thereof.
- vi) The Equity Shares to be issued and allotted as a consequence of exercise of the option under the Equity Share Warrants in the manner aforesaid shall rank pari passu in all respects including dividend with the existing Equity Shares of the Company.



Neogem India Limited

vii) In the event of the Company making a rights offer/ bonus issue by issue of new Equity Shares prior to the allotment of the Equity Shares resulting from the exercise of the option under the Equity Share Warrants, the entitlement to the Equity Shares under the Equity Share Warrants shall stand increased in the same proportion as that of the rights offer/ bonus issue and such additional Equity Shares will be offered to the Equity Share Warrant Holders at the same price at which the existing Shareholders are offered the Equity Shares.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Equity Shares resulting from the exercise of the option under the Equity Share Warrants, shall be the date 30 days prior to the date on which the meeting of the general body of shareholders is held in terms of Section 81 of the Act to consider the proposed issue i.e. 31st August 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to create, issue and/or allot 15,60,000 Equity Shares upon conversion of the Equity Share Warrants to the Promoters on the terms and conditions mentioned above.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do and/or ratify all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required in connection with the creation, offer, issue and allotment of the securities, to settle any question, difficulty or doubt that may arise in this regard, to seek listing of the Equity Shares arising out of the conversion and to do all such other acts, deeds, matters and things and to finalise and execute all such deeds, documents and writings as may be necessary, desirable or expedient as the Board may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make on its own accord or to accept such amendments, modifications, variations and alterations as the Government of India/ SEBI/ or any other regulatory authority may stipulate in that behalf."

By Order of the Board of Directors

Date : 2nd September 2013

Place : Mumbai

Gaurav Doshi

Chairman & Managing Director

Registered Office:

G-32, Gems & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai - 400 096.



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The explanatory statement as required under Section 173(2) of the Companies Act, 1956, in respect of the Special Business set out above is annexed hereto.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Nos. in the attendance slip while attending the meeting for easy identification of attendance at the meeting.
4. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September 2013 to Monday, 30th September 2013 (both days inclusive).
5. Members are requested to :-
 - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2013, so as to enable the Company to keep the information ready.
 - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.
 - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
 - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
 - v. Approach the R&TA of the Company for consolidation of folios.
 - vi. Avail of Nomination facility by filing in and forwarding the nomination form to the R&TA, if not already done.
 - vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, M/s System Support Services located at 209, Shivai Industrial Estate, 89, Andheri-Kurla Road, Saki Naka, Andheri (East), Mumbai - 400 072 upto the date of book closure.
6. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
7. The Company has listed its shares on the Bombay Stock Exchange Limited. The listing fees till date have been paid.
8. Non-Resident Indian members are requested to inform the Company/ R&TA the following immediately:
 - i. Change in the residential status on return to India for permanent settlement.
 - ii. The particulars of NRE Bank Account maintained in India with complete name and address of the bank, if not furnished earlier.
9. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Saturdays, Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
10. The Company is supporting "**Green Initiative in Corporate Governance**", a step taken by the Ministry of Corporate Affairs wherein the service of various documents including Notice, Directors' Report, Annual Accounts and various correspondences by a Company can be made through electronic mode which shall also be in compliance with the provisions of Section 53 of the Companies Act, 1956.

Supporting this initiative the Company sends its Annual Report to the members whose email ids are available in electronic form. To support this initiative in full measure, Members who have not registered their email address with the Depository through their concerned Depository Participants (DPs) are requested to register the same with their DPs. Members who hold shares in physical form are requested to register their email address with



M/s. System Support Services, Registrar & Share Transfer Agent located at 209, Shivai Industrial Estate, 89, Andheri-Kurla Road, Saki Naka, Andheri (East), Mumbai - 400 072.

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

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

Name : Mr. Jayant Nagarkar
Date of Birth : 02/08/1941
Date of appointment on Board : 25/11/2004
Qualification/ Expertise : Mr. Jayant Nagarkar has retired from Indian Revenue Services. He has vast experience in the administration of Customs and Central Excise matters of manufacturing and other organizations.

No. of equity shares held : Nil

Name of Companies in which he holds Directorship:

- Five Spice Restaurants Private Limited
- Sanija Hotels Private Limited
- Ne Movendig (I) Private Limited

Membership & Chairmanships

of committee of Board of other Companies: Nil

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



EXPLANATORY STATEMENT:

Pursuant to section 173(2) of the Companies Act, 1956

Item No. 4 & 5:

The present Authorised Capital of the Company is Rs.10,00,00,000/- divided in to 1,00,00,000 Equity Shares of Rs.10/- each. The Company is planning enhancement in the capital base of the Company. It was, therefore, decided in the Board Meeting held on 2nd September 2013 to increase the Authorised Capital of the Company from Rs.10,00,00,000/- to Rs.20,00,00,000/- by creation of 1,00,00,000 equity shares of Rs.10/- each, which will rank pari passu in all respects with the existing equity shares of the Company. The proposed increase in the Authorised Capital requires the approval of the Members in General Meeting. Consequent upon the increase in Authorised Capital of the Company, the clause V of the Memorandum of Association and Article 3 of the Articles of Association will require to be altered so as to reflect the increase in the share capital.

The Board recommends the resolutions be passed as an Ordinary Resolution and a Special Resolution respectively.

None of the directors are interested or concerned in the resolution except to their shareholding in the Company.

Item No. 6:

The Company in the Annual General Meeting held on 30th September 2010 had obtained approval from the shareholders regarding issue of warrants on preferential basis. However, due to technical issues, the Company could not act on the said passed resolution. Since more than reasonable time has elapsed in implementing the resolution, the Board in their meeting held on 2nd September 2013 decided to approach the members again with the fresh proposal for their approval.

Section 81 of the Companies Act, 1956 provides inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares etc., such further shares shall be offered to the existing shareholders of the Company in the manner laid down in section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Hence, consent of shareholders by way of special resolution is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Listing Agreement executed by the Company with the Stock Exchange where the Company's shares are listed.

The Disclosure as required under "SEBI Regulations for Preferential Issue" under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 are as under:

a) Objects of the issue

The object of the issue is to meet the working capital requirements of the Company. The offer, issue and allotment of 15,60,000 Equity Share Warrants to the person(s) shall be completed within the prescribed period of 15 days from the date of passing of the special resolution in accordance with Clause 24(a) of the Listing Agreement and the regulations of the Securities & Exchange Board of India (SEBI) for preferential issue, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereto or within such other time as may be permitted under the said regulations. The said Equity Shares shall have face value and shall be subject to such terms and conditions, as are stated in the special resolution mentioned above.

A copy of the certificate of the Auditors of the Company certifying the adherence to SEBI's Regulation for preferential issue being Chapter VII to the SEBI's (Issue of Capital and Disclosure Requirements) Regulations, 2009 by the proposed issue shall be laid before the shareholders at the proposed Annual General Meeting.

b) Intention of Promoters to subscribe to the offer

The Promoters of the Company have conveyed to the Company, their intention to subscribe to/acquire Equity Share Warrants of the Company on Preferential Allotment basis as proposed under Special Resolution at Item No. 6 above.

c) Shareholding Pattern before and after the Preferential Allotment

The shareholding pattern of the Company before and after the preferential issue, based on the shareholding as on 31st August 2013



Neogem India Limited

Sr. No.	Shareholding Pattern	Before Preferential Issue of Shares		After Preferential Issue of Shares	
		No. of Shares	% of Share holding	No. of Shares	% of Share holding
	Category				
A	Promoters' Holding				
	1. Promoters				
	- Indian Promoters	31,39,550	39.84	46,99,550	49.78
	- Foreign Promoters	-	-	-	-
	2. Persons acting in concert	-	-	-	-
	Sub Total	31,39,550	39.84	46,99,550	49.78
B	Non – Promoters' Holding				
	3. Institutional Investors				
	a. Mutual Funds and UTI	24,300	0.31	24,300	0.26
	b. Banks, Financial Institution, Insurance Companies	-	-	-	-
	(Central/ State Govt. Institutions / Non – Government Institutions)	-	-	-	-
	c. FIIs	-	-	-	-
	Sub Total	24,300	0.31	24,300	0.26
C	4. Others				
	a. Private Corporate Bodies	4,69,004	5.95	4,69,004	4.97
	b. Indian Public	41,92,346	53.20	41,92,346	44.41
	c. NRI's / OCB's	54,800	0.70	54,800	0.58
	d. Any Other (Please Specify)	-	-	-	-
	Sub Total	47,16,150	59.85	47,16,150	49.96
	GRAND TOTAL	78,80,000	100.00	94,40,000	100.00

Note: Assuming that warrant holders exercise their entitlement in full.

d) Proposed time within which allotment will be completed

The allotment of 15,60,000 Equity Share Warrants as proposed under special resolution of the notice will be completed within 15 days period from the passing of the said resolution at this meeting, or as per clause 24(a) of the Listing Agreement or such other time as may be prescribed under the SEBI's Regulation on Preferential Issues.

e) Identity of allottees with percentage of expanded capital to be held by them

The proposed allottees for 15,60,000 Equity Share Warrants, issued pursuant to special resolution at Item No. 6 of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per the said resolution are as under:

Sr. No.	Name of Persons to whom share warrants to be allotted	No. of Share Warrants to be allotted	No. of Equity Shares upon Conversion within 18 months from the date of allotment
1.	Rekha Doshi	2,39,600	2,39,600
2.	Ronak Doshi	3,10,200	3,10,200
3.	Gaurav Doshi	3,10,200	3,10,200
4.	Reshma Doshi	3,50,000	3,50,000
5.	Vaitasi Doshi	3,50,000	3,50,000
	Total	15,60,000	15,60,000

Note: Assuming that warrant holders exercise their entitlement in full.

f) Change in Management

The proposed preferential allotment of equity shares will not result in any change in the management and control of the Company. Voting rights shall change according to the change in shareholding pattern mentioned above.



g) Pricing

The issue of equity shares on preferential basis shall be at a price of Rs.18/- i.e Rs.10/- face value and Rs. 8/- premium, as determined in compliance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for Preferential Issues.

h) Relevant Date

Relevant date for this purpose is 31st August 2013 i.e. 30 days prior to the date of the meeting of the Members of Company i.e. 30th September 2013.

i) Auditor's Certificate

A copy of the certificate of the Auditors of the Company certifying the adherence of SEBI's Regulation for preferential issues, being Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 by the proposed issue shall be laid before the shareholders at their proposed Annual General Meeting.

j) Lock in

The Equity Shares allotted on exercise of option of conversion of Equity Share Warrants to all applicants stated above on preferential basis shall be locked in for a period of three years in case of Promoters and one year for others from the date of allotment as per SEBI Regulations.

In terms of the provisions of the Companies Act, 1956, consent of the members is required for issue of Equity Share Warrants to persons other than existing members. Hence, consent is sought under section 81(A) of the Companies Act, 1956, for the offer, issue and allotment of the said warrants, as stated in the resolution. The Board may be authorized to issue the Equity Share Warrants in accordance with the terms of offer, as detailed in the resolution and to take all necessary actions without any limitations for implementing the resolution.

The Board of Directors recommends the resolution for the approval of the shareholders as a Special Resolution.

None of the Directors of the Company except Mr. Gaurav Doshi and Mr. Ronak Doshi are concerned or interested in the aforesaid proposed resolution except to the extent of their shareholding

By Order of the Board of Directors

Date : 2nd September 2013

Place : Mumbai

Registered Office:

G-32, Gems & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai - 400 096.

Gaurav Doshi

Chairman & Managing Director



DIRECTORS' REPORT

To,

**The Members,
Neogem India Limited**

The Directors present the Twenty-second Annual Report of the Company together with the Audited Statement of Accounts for the year ended **31st March 2013**.

1. FINANCIAL RESULTS:

The financial performance of the Company, for the year ended March 31, 2013 is summarized below :

(Rs. In Lacs)

Particulars	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Sales Income	8237.20	8173.79
Other Income	3.99	367.96
Profit before Depreciation and Tax	161.27	158.38
(Less): Depreciation	(11.66)	(11.84)
Profit for the year before tax	149.60	146.54
(Less): Exceptional Items	-	(0.29)
Add/(Less): Provision for Taxation	(47.18)	(44.91)
Profit after Tax	102.42	101.35

2. REVIEW OF OPERATIONS:

The Company registered turnover of Rs. 823,720,082/- in the current year as compared to Rs. 817,379,494/- during the previous year. The Company earned Profit before tax of Rs. 14,960,843/- as compared to Rs. 14,625,466/- in the previous year. Your Directors expect better performance in future. Business review details are included in Management Discussion and Analysis Report.

3. DIVIDEND:

In view to conserve resources, your Directors do not recommend any dividend for the financial year ended 2012-13.

4. DIRECTORS:

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

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

5. CONNECTIVITY WITH CDSL:

Your Directors are pleased to inform you that, your Company was successful in obtaining connectivity with CDSL (Central Depository Services Limited) w.e.f. 10th January 2013 during the year under review. This will bring comfort to the shareholders who wish to dematerialize their shares on CDSL. With this your Company has connectivity with both the Depository participants i.e. NSDL (National Securities Depository Limited) & CDSL.



6. CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standard of Corporate Governance and adhere to the requirements set out by SEBI. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement, including the shareholders' information and auditor's certificate on its compliance, forms a part of this Annual Report.

7. AUDITORS REPORT:

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

8. AUDITORS:

The present Statutory Auditors of the Company, M/s. Ashok Bairagra & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter as required under section 224(1B) of the Companies Act, 1956 from M/s. Ashok Bairagra & Associates (having Firm Registration No. 118677W), Chartered Accountants, confirming their eligibility and willingness to act as Statutory Auditors, if re-appointed. The members are requested to appoint the Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

9. INSURANCE:

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

10. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) The Company has followed the applicable accounting standards except AS 15 in the preparation of the Annual Accounts.
- b) The Directors had selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review.
- c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

11. MANAGEMENT DISCUSSION AND ANALYSIS:

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

12. PERSONNEL:

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

13. FIXED DEPOSITS:

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

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

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



A. Conservation of Energy:

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

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

B. Technology Absorption, Adaptation and Innovation:

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

C. Foreign Exchange Earnings and Outgo:

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

(Rs. in Lacs)

Particulars	2012-13	2011-12
Foreign exchange earned on F.O.B. basis	5205.13	8034.38
Foreign exchange used	4827.84	7654.82

15. ACKNOWLEDGEMENTS:

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

By Order of the Board of Directors

Date : 2nd September 2013

Place : Mumbai

Gaurav Doshi

Chairman & Managing Director

Registered Office:

G-32, Gems & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai - 400 096.



CORPORATE GOVERNANCE REPORT

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

A) MANDATORY REQUIREMENTS:

1) COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company recognizes that good governance practices originate from the philosophy and mindset of the organization. The Company reiterates its commitment to adhere to the highest standards of Corporate Governance which is founded upon a rich legacy of integrity, fairness, transparency, timely disclosures, equity and accountability for the long term enhancement of the shareholders’/stakeholders’ value and interest. The Company believes that its actions must result in enhancing corporate performance by maximizing shareholders’/stakeholders’ value and also result in motivated work force. We, as a Company, have always focused on good Corporate Governance practices, which is a key driver of sustainable corporate growth and long-term value creation for our shareholders. The Company recognizes that the shareholders are ultimately the people who are catalysts to the economic activities and also the ultimate beneficiaries thereof.

2) BOARD OF DIRECTORS

Composition of the Board:

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

Number of meetings held:

During the year 2012-2013, five (5) meetings of the Board of Directors were held on 30th May 2012, 14th August 2012, 1st September 2012, 10th November 2012 and 14th February 2013.

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

None of the Directors is a Member of more than 10 Board Committees or a Chairman of more than five such Committees as required under clause 49 of the Listing Agreement. The same is also evidenced from the table given below.

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

Name of the Director	Category	F.Y. 2012-13 Attendance at		As on the date of this report		
		BM	Last AGM	No. of other Directorships#	Other Committee Positions #	
					Member	Chairman
Mr. Gaurav Doshi	Executive Chairman and Managing Director	5	Yes	1	1	1
Mr. Ronak Doshi	Executive Vice-Chairman and Whole-time Director	5	Yes	Nil	Nil	Nil
Mr. Jayant Nagarkar	Independent and Non-Executive Director	5	No	Nil	Nil	Nil
Mr. Vikas Patel	Independent and Non-Executive Director	5	Yes	Nil	Nil	Nil

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



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

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

Re-appointment of Director:

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

Responsibilities:

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

Role of Independent Directors:

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

3) AUDIT COMMITTEE

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

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

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

Composition, Number of Meetings and Attendance:

During the financial year 2012-13 under review, four (4) Audit Committee Meetings were held on 30th May 2012, 14th August 2012, 10th November 2012 and 14th February 2013.

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

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

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

Audit Committee shall have the following powers :

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



Role of the Audit Committee shall include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of Statutory Auditors and fixation of audit fees
- Approval of payment to Statutory Auditors for any services rendered by them
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of section 217(2AA) of the Companies Act, 1956;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, performance of Statutory and Internal Auditors & adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading of the department, reporting structure coverage and frequency of internal audit
- Discussion with Internal Auditors of any significant findings and follow up there on
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders and creditors
- Carrying out any other function as is mentioned in terms of reference to the Audit Committee

Information for Review:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as may be defined by the audit committee), submitted by management
- Management letters/ letters of internal control weakness issued by the statutory auditors
- Reviewing periodically the financial results, adequacy of internal audit functions etc.
- Internal audit reports relating to internal control weakness

4) SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

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



Composition, Number of Meetings and Attendance:

During the financial year 2012-13 under review, four (4) Shareholders'/ Investors' Grievance Committee Meetings were held on 30th May 2012, 14th August 2012, 10th November 2012 and 14th February 2013.

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

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

The Company received no complaints during the year 2012-13 and thus, no complaints were pending as on 31/03/2013.

5) SHARE TRANSFER COMMITTEE

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

Composition, Number of Meetings and Attendance:

During the financial year 2012-13 under review, four (4) Share Transfer Committee Meetings were held on 30th May 2012, 14th August 2012, 10th November 2012 and 14th February 2013.

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

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

6) REMUNERATION COMMITTEE

Composition, Number of Meetings and Attendance:

During the financial year 2012-13 under review, no Remuneration Committee Meeting was held. The composition of the Remuneration Committee is given hereunder:

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

Details of remuneration paid to the Directors during 2012-13 are given below:

Name of the Directors	Directors' Position	Relationship with other Directors	Salary & allowances (Rs.)	Contribution to P.F. (Rs.)	Perquisites (Rs.)	Sitting Fees (Rs.)
Mr. Gaurav Doshi	Executive Chairman & Managing Director	Related to Mr. Ronak Doshi	6,28,100	36,000	31,900	Nil
Mr. Ronak Doshi	Vice-Chairman & Whole-time Director	Related to Mr. Gaurav Doshi	5,15,400	30,000	34,600	Nil
Mr. Jayant Nagarkar	Independent and Non-Executive Director	—	Nil	Nil	Nil	Nil
Mr. Vikas Patel	Independent and Non-Executive Director	—	Nil	Nil	Nil	Nil

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



7) GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue	No. of Special Resolutions approved at the AGM
2009-2010	30 th September 2010	1:30 p.m.	Hotel Tunga Paradise M.I.D.C. Andheri (E), Mumbai - 400 093	1
2010-2011	30 th September 2011	1:30 p.m.	Hotel Tunga Paradise M.I.D.C. Andheri (E), Mumbai - 400 093	Nil
2011-2012	29 th September 2012	1:30 p.m.	Hotel Tunga Paradise M.I.D.C. Andheri (E), Mumbai - 400 093	Nil

Special Resolutions passed during the last 3 annual general meetings:

Annual General Meeting held on 30th September 2010:

- 1) To create, offer and allot, on preferential basis 15,60,000 Equity Share Warrants to promoters.

During the year ended 31st March 2013, no resolution was passed by the Company's members through postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

During the financial year 2012-13, the Company was not required to hold any Extra-Ordinary General Meeting.

8) DISCLOSURES

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

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

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

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

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

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

The Company does not have any specific whistle blower policy in place. However, the Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee.

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

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

Accounting treatment in preparation of financial statements:

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

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



9) MEANS OF COMMUNICATION

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

10) GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting:

Day : Monday
Date : 30th September 2013
Time : 1.30 p.m.
Venue : Hotel Tunga Paradise M.I.D.C. Andheri (E), Mumbai - 400 093

Financial Year : 1st April 2012 to 31st March 2013

Date of Book Closure : Monday, 23rd September 2013 to Monday, 30th September 2013 (both days inclusive)

Listing of Securities and Stock Code:

Bombay Stock Exchange Limited Code No: 526195

The Company has paid listing fees for the financial year 2013-14 to the above exchange.

Demat ISIN Number for NSDL:

ISIN number issued to equity shares by NSDL & CDSL is INE552E01014.

The Company has not issued any GDRs or ADRs.

Dividend Payment Date: Not Applicable

Share Transfer System:

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

Dematerialization of Shares:

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

Registrar & Share Transfer Agents:

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

M/s System Support Services

209, Shivai Industrial Estate, Next to Parke-Davis,
Sakinaka, 89, Andheri-Kurla Road,
Andheri (East), Mumbai-400 072.
Tel No.: 2850 0835
Fax No.: 2850 1438
Email id: sysss72@yahoo.com

Address for correspondence:

Neogem India Limited

G-32, Gem & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai-400 096.
Tel. Nos.: 3088 2640/ 41
Fax No.: 2829 1123

Investors can register their complaints/grievances on the Company's designated Email id:
investors@neogemindia.com



Stock Market Data:

Month/Year	Bombay Stock Exchange Limited (BSE)	
	High (₹)	Low (₹)
April 2012	24.25	16.80
May 2012	18.80	14.55
June 2012	17.60	15.25
July 2012	23.95	17.60
August 2012	26.60	24.25
September 2012	24.05	24.05
October 2012	22.85	22.85
November 2012	N.A.	N.A.
December 2012	N.A.	N.A.
January 2013	N.A.	N.A.
February 2013	22.85	20.70
March 2013	20.65	18.75

Distribution of Shareholding as on 31st March 2013:

Shareholding	No. of shares	% of shares to Total	No. of shareholders	% of Shareholders to Total
1 - 500	538296	6.831	2493	79.827
501 - 1000	310588	3.941	339	10.855
1001 - 5000	524466	6.656	205	6.564
5001 - 10000	327300	4.154	43	1.377
10001 & Above	6179350	78.418	43	1.377
Shares in Transit	—	—	—	—
TOTAL	78,80,000	100.00	3123	100.00

Physical/ Electronic Shareholding Pattern as on 31st March 2013:

Category	No. of Shares	% of Shares to Total	No. of Shareholders	% of Shareholders to Total
C.D.S.L.	9,48,790	12.04	36	1.15
N.S.D.L.	54,61,060	69.30	779	24.94
Physical	14,70,150	18.66	2308	73.91
In Transit (Demat)	Nil	Nil	Nil	Nil
TOTAL	78,80,000	100.00	3123	100.00



Neogem India Limited

Shareholding Pattern as on 31st March 2013:

Category	No. of shares	% of shares to Total	No. of Shareholders	% of Shareholders to Total
Promoter Group:				
Indian	3139550	39.84	8	0.26
Public Shareholding:				
Mutual Funds	24300	0.31	1	0.03
Non Institutions:				
Bodies Corporate	505500	6.41	76	2.43
<i>Individual: Share Capital <=1,00,000</i>	1490050	18.91	2926	93.69
Share Capital > 1,00,000	2665300	33.82	26	0.83
NRI Individuals (Non Rep)	2600	0.03	4	0.13
NRI (Repatriation)	52700	0.67	82	2.63
TOTAL	78,80,000	100.00	3123	100.00

B) NON-MANDATORY REQUIREMENTS:

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

For Neogem India Limited

Date : 02nd September 2013
Place : Mumbai

Gaurav Doshi
Chairman & Managing Director

ANNEXURE 2

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

In accordance with Clause 49 I(D) of the Listing Agreement with the Stock Exchange, I, Gaurav Doshi, Chairman and Managing Director of Neogem India Limited hereby confirm that the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2013.

For Neogem India Limited

Date : 02nd September 2013
Place : Mumbai

Gaurav Doshi
Chairman & Managing Director

ANNEXURE 3

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Neogem India Limited,

We have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

M/S. ASHOK BAIRAGRA & ASSOCIATES
Chartered Accountants
(Registration No. 118677W)

ASHISH JALAN
Partner
M.No.125707

Date : 30th May 2013
Place : Mumbai



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) Industry Structure & Developments and Outlook

Indian gems and jewellery sector is expected to grow at a compound annual growth rate (CAGR) of around 16.26 percent till 2016-17 on account of increasing government efforts and incentives coupled with private sector initiatives, according to a report of the working group on 'Boosting India's Manufacturing Exports', by Ministry of Commerce & Industry.

According to a recent study, India and China are now emerging as one of the leaders in the global jewellery industry in terms of consumption, besides production and trade. The countries jointly would account for over 30 percent of global diamond market in 2015.

India has the distinction of being one of the first countries to introduce diamonds to the world. Diamonds manufactured in India constitute 65 percent by value, 85 percent by volume and 92 percent by pieces of the world diamond production, making the country not only the leading global manufacturer but also one of the highest consumers of rough diamonds in the world.

The diamond jewellery market in India stands at approximately 20 percent or Rs.45,000 crore of the whole jewellery market and is growing at the rate of 20 percent in a year.

India possesses world's most competitive gems and jewellery market due to its low cost of production and availability of skilled labor. As per the research report "Indian Gems and Jewellery Market Forecast to 2013", highly skilled and low cost manpower, along with strong Government support in the form of incentives and establishments of SEZs, have been major drivers for the Indian gems and jewellery market. Presently, although, Indian market is highly fragmented, it is rapidly transforming into an organized sector.

Gems and jewellery form an integral part of Indian tradition. A legacy passed from one generation to another. The components of jewellery include not only traditional gold but also diamond & platinum accompanied by a variety of precious and semi-precious stones.

One of the major concerns for the diamond industry is the depreciating value of rupee which has a direct impact on the prices of diamond.

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

2) Opportunities & Threats, Risks & Concerns

SWOT Analysis of the Indian Gems & Jewellery Industry

Strengths :

- Availability of abundance of cheap and skilled labour in India
- About one million craftsmen are associated with this industry, their skills can be utilized for designing and making modern jewellery
- Presence of excellent marketing network spread across the world
- Supportive government industrial/ EXIM policy

Weaknesses:

- Low productivity compared to labour in China, Thailand and Sri Lanka
- As the major raw material requirements need to be imported, companies normally stock huge quantities of inventory resulting in high inventory carrying costs



Opportunities:

- Growing demand in South Asian & Far East countries
- Dramatic transformation of the Indian retail sector
- Growing domestic demand

Threats, Risks & Concerns:

- Jewellery being a luxury item, recession is one of the major threats
- Entry of China, Sri Lanka and Thailand in the small diamond segment
- Unusual increase in the price of gold
- Depreciating value of Rupee having a direct impact on the prices of diamond.

3) Performance

The management was focused on optimizing cost efficiencies to enable the business to cope with the economic crisis. This has enabled the Company to export its products in competitive global markets like U.S.A., Hong Kong, Middle East, etc. which contribute a major part of the total exports turnover. The Company's products are well recognized in the International market and the Company has been a landmark in producing a high quality premium range of jewellery.

4) Operations

The Company achieved a sales turnover of Rs. 823,720,082/- in current year as compared to Rs. 817,379,494/- in previous year. The Company made a profit of Rs. 14,960,843/- before tax as compared to a profit of Rs. 14,654,060/- before tax for the previous year. With favorable market conditions, your Directors expect better performance in future.

5) Internal Controls & their adequacy

The Company has adequate internal control systems commensurate with its size and operations. The scope of internal audit is to ensure the control systems established by the management are correctly implemented and to suggest any additional changes required to strengthen the existing systems. These systems and procedures are reviewed at regular intervals through internal audits, statutory audits and audit committee.

6) Human Resources & Industrial Relations

The Management believes that its employees are valuable resources, who are also important stakeholders in the growth, prosperity and development of the organization. The Company is committed to create an appropriate climate, opportunities and systems to facilitate identification, development and utilization of employees' full potential on a continuous basis. The Company's policy believes that human resource is the basis of all business processes and has taken steps to inculcate and foster innovative and improvement oriented thinking amongst all its employees. Our continued focus on training and development has helped in upgradation of skills and talent of our employees to cope-up the needs of managing the challenge arising out of modernization and introduction of technological changes in our various operations.

During the year 2012 – 13, Industrial relations were cordinal and harmonious.

By Order of the Board of Directors

Date : 2nd September 2013

Place : Mumbai

Registered Office:

G-32, Gems & Jewellery Complex III,
Seepz (SEZ), Andheri (East), Mumbai-400 096.

Gaurav Doshi
Chairman & Managing Director



AUDITOR'S REPORT

To the Members of **Neogem India Limited**

Report on the Financial Statement

We have audited the accompanying financial statements of Neogem India Limited ('the Company') which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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 ('the Act'). 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.

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.

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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, 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 books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement detail 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 sub-section (3C) of Section 211 of the Companies Act, 1956; *except Leave Encashment which is provided on the basis of actual calculation rather than actuarial valuation as per AS15 and*
 - e. on the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March 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 ASHOK BAIRAGRA & ASSOCIATES

Chartered Accountants

(Registration No. 118677W)

Ashish Jalan

Partner

Membership Number: 125707

Date : 30th May, 2013

Place: Mumbai



Annexure to the Auditor's Report

(Referred to in paragraph 3 of our report of even date for the year ended 31st March, 2013)

- (i) (a) The company has maintained records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As per the information and explanations given to us, all the major assets have been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) As explained to us, the company has not disposed off any substantial part of fixed assets during the year, so as to affect the going concern.
- (ii) (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly the paragraph 4 iii(b),4 iii(c) and 4 iii(d) of the order, are not applicable.
- (b) The company has taken unsecured interest free loan from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 85,57,000/- and the year-end balance of loans taken from such parties is Rs. 85,57,000/-.
- (c) In our opinion, as company has taken interest free unsecured loan hence the question of reporting whether the rate of interest and other terms and conditions of such loans are prejudicial to the interest of the company does not arise.
- (d) Since there is no stipulation as to the time period for the repayment of unsecured loans taken, we are unable to comment on the regularity of the same.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposits from the public and hence the provisions of section 58A and 58AA or any relevant provisions of the Companies Act, 1956 and the Companies (Acceptance and Deposits) Rules, 1975 are not applicable.
- (vii) The company has no formal internal audit system; however the company has build-in internal control system commensurate with the size of the Company and the nature of its business.
- (viii) The Central government has prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, in respect of certain manufacturing activity of the company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made the detailed examination of the same.
- (ix) (a) As per information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and



other material statutory dues applicable to the company have generally been regularly deposited with the appropriate authorities though there has been delays in deposit in a few cases which are not major.

- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess other than those mentioned separately were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.

Name of the Statute	Name of Dues	Amount (₹)	Forum where dispute is pending	Financial Year to which the amount relates
Income Tax	FBT	2,59,840/-	ITO	2005-06

- (x) In our opinion, there are no accumulated losses of the company at the end of financial year. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit fund or a Nidhi/ Mutual benefit fund / Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in Shares, Securities, Debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not raised any term loans during the year. Hence the question of application for the purpose for which they were raised doesn't arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that, prima facie, no funds raised on short-term basis have been used for long-term investment.
- (xviii) To the best of our knowledge and according to information & explanation given to us, we report that the company has not made any preferential share allotments of equity shares covered under the register required to be maintained u/s. 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

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

Date : 30th May, 2013
 Place: Mumbai

Ashish Jalan
 Partner
 Membership Number: 125707



Neogem India Limited

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2.1	78,800,000	78,800,000
(b) Reserves and Surplus	2.2	56,595,295	46,352,811
(2) Share Application Money pending allotment	2.3	4,290,000	4,290,000
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	2.4	8,557,000	11,797,000
(b) Deferred Tax Liabilities (Net)	2.5	800,897	957,537
(4) Current Liabilities			
(a) Short-Term Borrowings	2.6	118,922,354	95,888,839
(b) Trade Payables	2.7	376,563,600	335,074,994
(c) Other Current Liabilities	2.8	9,830,938	8,456,296
(d) Short-Term Provisions	2.9	5,973,957	5,017,817
TOTAL		660,334,041	586,635,294
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	2.10	7,097,198	8,152,174
(b) Non-Current Investments	2.11	14,040	14,040
(c) Long-Term Loans and Advances	2.12	236,880	220,170
(2) Current Assets			
(a) Inventories	2.13	58,641,554	43,756,960
(b) Trade Receivables	2.14	587,196,675	529,367,363
(c) Cash and Cash Equivalents	2.15	1,863,089	1,236,338
(d) Short-Term Loans and Advances	2.16	5,284,605	3,888,248
TOTAL		660,334,041	586,635,294

Significant accounting policies and Notes to Accounts: 01 - 02

The Schedules referred above form an integral part of the Balance Sheet

Auditors' Report

**As per our Report of even date attached
For Ashok Bairagra & Associates**
Chartered Accountants
Firm Reg. No. 118677W

Ashish Jalan
Partner
Membership No. : F-125707
Date : 30th May, 2013
Place : Mumbai

For and on behalf of the Board of Directors

Gaurav Doshi **Ronak Doshi**
Chairman & Vice Chairman &
Managing Director Whole Time Director



PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No	Year Ended 31st March, 2013	Year Ended 31st March, 2012
I. Revenue from Operations	2.17	823,720,082	853,915,197
II. Other Incomes	2.18	399,911	260,092
III. Total Revenue (I + II)		824,119,994	854,175,289
IV. Expenses:			
<u>Manufacturing Expenses</u>			
Cost of Materials Consumed	2.19	494,478,811	418,530,400
Purchases of Stock-in-Trade	2.20	275,286,191	347,372,301
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.21	(1,205,592)	(445,963)
Employee Benefits Expenses	2.22	9,459,749	6,666,624
Finance Costs	2.23	11,017,716	10,022,415
Depreciation and Amortization Expense	2.24	1,166,413	1,184,329
Other Expenses	2.25	18,955,863	56,191,123
Total Expenses		809,159,151	839,521,229
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		14,960,843	14,654,060
VI. Exceptional Items		-	28,594
VII. Profit before Extraordinary Items and Tax (V - VI)		14,960,843	14,625,466
VIII. Extra Ordinary Items		-	-
IX. Profit before Tax (VII - VIII)		14,960,843	14,625,466
X. Tax Expense:			
(1) Current tax		4,875,000	4,572,000
(2) Income Tax of Earlier Year		-	5,465
(3) Deferred Tax		(156,640)	(86,951)
XI. Profit/ (Loss) for the period from Continuing Operations (IX - X)		10,242,483	10,134,952
XII. Profit/Loss from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/ (Loss) from Discontinuing Operations (after Tax) (XII - XIII)		-	-
XV. Profit/ (Loss) for the Period (XI + XIV)		10,242,483	10,134,952
XVI. Earnings Per Equity Share			
(1) Basic		1.30	1.07
(2) Diluted		1.30	1.07

Significant accounting policies and Notes to Accounts: 01 - 02

The Schedules referred above form an integral part of the Balance Sheet

Auditors' Report

**As per our Report of even date attached
For Ashok Bairagra & Associates**
Chartered Accountants
Firm Reg. No. 118677W

For and on behalf of the Board of Directors

Ashish Jalan
Partner
Membership No. : F-125707
Date : 30th May, 2013
Place : Mumbai

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director



Neogem India Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	CURRENT YEAR AS AT 31/03/2013	PREVIOUS YEAR AS AT 31/03/2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extra - ordinary items	14,960,843	14,625,466
Adjustment for		
Depreciation	1,166,413	1,184,329
Interest Expenses	11,017,716	10,022,415
Expenses w/off & Income W/Back	(2,853)	-
Prior Period Expenses	-	(47,241)
Interest Income	(11,781)	(7,130)
	<u>12,169,495</u>	<u>11,152,373</u>
Operating Profit before working capital changes	27,130,338	25,777,839
Adjustment for Working Capital :		
(Increase) / Decrease in current asset :		
(Increase)/ Decrease in Debtors	(57,829,311)	31,109,191
(Increase)/ Decrease in Inventories	(14,884,593)	(255,333)
(Increase)/ Decrease in Deposits	(16,710)	-
(Increase)/ Decrease in Loans & advances	(858,575)	102,737
	<u>(73,589,190)</u>	<u>30,956,595</u>
Increase/ (Decrease) in current liability :		
Increase/ (Decrease) in Creditors for goods	41,488,607	(47,419,517)
Increase/ (Decrease) in Creditors for expenses	1,688,135	(1,276,185)
	<u>43,176,742</u>	<u>(48,695,702)</u>
Cash generated from operations	(3,282,110)	8,038,732
Less : Income Tax & FBT paid	(4,767,281)	(326,397)
	<u>(8,049,391)</u>	<u>7,712,335</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(111,437)	(160,950)
	<u>(111,437)</u>	<u>(160,950)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest on borrowings	(11,017,716)	(10,022,415)
Interest Received	11,781	7,130
Proceeds from Borrowings	19,793,514	(2,364,057)
	<u>8,787,579</u>	<u>(12,379,342)</u>
NET CHANGES IN CASH & CASH EQUIVALENTS	<u>626,751</u>	<u>(4,827,957)</u>
CASH & CASH EQUIVALENTS OPENING BALANCE	<u>1,236,338</u>	<u>6,064,295</u>
CASH & CASH EQUIVALENTS CLOSING BALANCE	<u>1,863,089</u>	<u>1,236,338</u>

Auditors' Report

As per our Report of even date attached
For Ashok Bairagra & Associates
Chartered Accountants
Firm Reg. No. 118677W

Ashish Jalan
Partner
Membership No. : F-125707
Date : 30th May, 2013
Place : Mumbai

For and on behalf of the Board of Directors

Gaurav Doshi Ronak Doshi
Chairman & Vice Chairman &
Managing Director Whole Time Director



NOTES FORMING PART OF THE ACCOUNTS

NOTE "1"

SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

iii. Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

iv. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life except.

v. Impairment of Assets

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

vi. Foreign Currency Transactions

- a. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b. Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- c. Non-monetary foreign currency items are carried at cost.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

vii. Investments

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



viii. Inventories

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

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any.

Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and condition.

ix. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

The Company recognizes revenue on dispatch of goods. In case of Job Work, the revenue is recognized upon completion of the job and dispatch of goods.

Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts.

Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

x. Employee Benefits

Gratuity

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

Leave Encashment

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

Provident Fund & Family Pension

Contribution to provident fund & family pension fund are provided for & payments in respect thereof are made to the relevant authorities on actual basis.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post-employment and other long term employee benefits are recognized as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss account.

xi. Financial Derivatives and Commodity Hedging Transactions

Financial derivatives and commodity hedging contracts are accounted on the date of their settlement. In respect of derivative contracts, premium paid, gains / losses on settlement and losses on restatement are recognized in the Profit and Loss account except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

xii. Provisions, Contingent Liabilities and Contingent Assets

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



xiii. Provision for Current and Deferred Tax

Provision for current tax is made after taking in to consideration benefits admissible under the provisions of the Income tax Act, 1961.

Deferred tax resulting from "Timing Difference" between Book and Taxable profit is accounted for using the tax rates & laws that have been enacted or substantively enacted on the balance sheet date. The Deferred tax assets is recognized and carried forward only to the extent that there is virtual certainty supported by convincing evidence that the asset will be realized in future.

Net outstanding balance in Deferred tax account is recognized as Deferred tax liabilities / asset.

The Deferred tax account is used solely for reversing timing difference as and when crystalized.

xiv. Cash Flow Statement

The Cash Flow statement is being prepared in accordance with the format prescribed in Accounting Standard 3 prescribed by the ICAI.

xv. Prior Period Items

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

xvi. Related Party Transaction

Disclosure of transaction with Related Parties, as required by Accounting Standard 18 "Related Party Disclosure" has been set out in a separate note forming part of this schedule. Related parties as defined under clause 3 of the accounting standard 18 have been identified on the basis of representations made by key management personnel and information available with the company.

xvii. Earning per Share

Basic and Diluted earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

FOR ASHOK BAIRAGRA & ASSOCIATES

Chartered Accountants
(Firm Registration No. 118677W)

ASHISH JALAN

Partner
Membership No. : F-125707
Date : 30th May, 2013
Place : Mumbai

For and on behalf of the Board of Directors

Gaurav Doshi
Chairman &
Managing Director

Ronak Doshi
Vice Chairman &
Whole Time Director



NOTES FORMING PART OF THE ACCOUNTS

NOTE '2.1' SHARE CAPITAL	As at 31.03.2013	As at 31.03.2012
AUTHORISED :		
1,00,00,000 Equity Shares of ₹ 10/-each	100,000,000	100,000,000
ISSUED, SUBSCRIBED, CALLED UP AND FULLY PAID UP :		
78,80,000 (P.Y. 78,80,0000)		
Equity Shares of ₹ 10/- each	78,800,000	78,800,000
TOTAL	78,800,000	78,800,000

(i) Details of shareholders holding more than 5% of shares.

Name of Shareholders	As At 31st March 2013		As At 31st March 2012	
	No. of Shares	% Held	No. of Shares	% Held
Urvinderpal Attarsingh	10,00,000	12.69	-	-
Sachin Chheda	-	-	11,75,000	14.91

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Number of shares	
	As At 31st March 2013	As At 31st March 2012
Number of Equity Share at the beginning of year	78,80,000	78,80,000
Add : Number of Share issued during the year	-	-
Number of Equity Share at the end of the year	78,80,000	78,80,000

NOTE 2.2 RESERVES & SURPLUS	As at 31.03.2013	As at 31.03.2012
1. Share Premium Account		
As per last Balance Sheet	3,780,000	3,780,000
Add:- On further Issue of Capital	-	-
Closing Balance	3,780,000	3,780,000
2. Profit & Loss Account	42,572,812	32,437,860
Add : During The Year	10,242,483	10,134,951
Closing Balance	52,815,295	42,572,811
TOTAL	56,595,295	46,352,811

NOTE 2.3 SHARE APPLICATION MONEY	As At 31st March 2013	As At 31st March 2012
Share Application Money*	4,290,000	4,290,000
	4,290,000	4,290,000

*The company had taken approval of shareholders in the AGM held on 30.09.2010 for issue of 15,60,000 preferential shares at Rs. 11/- for which the company had received 25% application money. However the approval from stock exchange was not received. Hence the company in its meeting of board of directors held on 02.04.2013 has resolved to repay the share application money.



NOTES FORMING PART OF THE ACCOUNTS

NOTE 2.4 LONG TERM BORROWING	As at 31.03.2013	As at 31.03.2012
UNSECURED		
Corporate	6,110,000	8,500,000
Related Parties		
Non - Corporate		
Directors	2,447,000	3,297,000
TOTAL	8,557,000	11,797,000
NOTE 2.5 DEFERRED TAX LIABILITY & DEFERRED TAX ASSET	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liability due to difference between Book & Tax Depreciation (Net)	800,897	957,537
NET DEFERRED TAX LIABILITY/ (ASSETS)	800,897	957,537
NOTE 2.6 SHORT TERM BORROWINGS	As at 31.03.2013	As at 31.03.2012
SECURED		
Working Capital Loan from Banks*	118,922,354	95,888,839
TOTAL	118,922,354	95,888,839

* Working Capital (Secured Loan) from Punjab National Bank and Bank of India.

1. Working Capital Loan is secured by hypothecation of stock of Raw Material & Finished Goods, Export Documentary Bills, Fixed Assets.
2. The Working Capital loan are further secured by way of hypothecation of 3 residential flat in the name of the directors and 2 shareholders.
3. The Working Capital loan is further secured by personal guarantee of 2 directors and 3 shareholders.

NOTE 2.7 TRADE PAYABLES	As at 31.03.2013	As at 31.03.2012
Micro, Small & Medium Enterprises*	362,443	360,302
Others	376,201,158	334,714,692
TOTAL	376,563,600	335,074,994

* Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006.

The information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 2.8 OTHER CURRENT LIABILITIES	As at 31.03.2013	As at 31.03.2012
Other Current Liabilities	9,830,938	8,456,296
TOTAL	9,830,938	8,456,296

NOTE 2.9 SHORT - TERM PROVISIONS	As at 31.03.2013	As at 31.03.2012
PROVISION FOR TAXES		
A Y 2012 - 2013	342,500	-
A Y 2013 - 2014	4,875,000	4,572,000
Gratuity	315,599	202,675
Bonus	242,528	109,511
Leave Encashment	198,330	133,631
TOTAL	5,973,957	5,017,817



NOTES FORMING PART OF THE ACCOUNTS

NOTE 2.10

Tangible Assets as on 31st March 2013

PARTICULARS	Amount in `											
	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AS AT 1.4.2012	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS AT 31.3.2013	PROVISION UP TO 31.3.2012	DEDUCTION ON SALE OF ASSETS	PROVISION FOR THE YEAR	TOTAL DEPN. 31.3.2013	AS AT 31.3.2013	AS AT 31.3.2012		
LAND	440,029	-	-	440,029	-	-	-	-	440,029	440,029		
PLANT & MACHINERY	13,338,947	-	-	13,338,947	7,345,044	-	633,353	7,978,397	5,360,550	5,993,903		
ELECTRICAL FITTINGS	941,409	-	-	941,409	740,964	-	43,169	784,133	157,276	200,445		
INTERIOR WORKS	5,860,075	-	-	5,860,075	5,722,115	-	41,202	5,763,317	96,758	137,960		
UTILITIES	273,030	-	-	273,030	235,341	-	12,969	248,310	24,720	37,689		
FURNITURE & FIXTURES	3,080,226	-	-	3,080,226	2,374,668	-	194,404	2,569,072	511,154	705,558		
FACTORY EQUIPMENTS	65,934	21,937	-	87,871	16,521	-	4,008	20,529	67,342	49,413		
OFFICE EQUIPMENTS	694,657	-	-	694,657	559,366	-	49,112	608,478	86,179	135,291		
AIR CONDITIONERS	1,313,976	-	-	1,313,976	1,102,488	-	62,414	1,164,902	149,074	211,488		
COMPUTERS	1,956,883	89,500	-	2,046,383	1,731,173	-	121,802	1,852,975	193,408	225,710		
MOTOR BIKE	41,894	-	-	41,894	27,206	-	3,980	31,186	10,708	14,688		
TOTAL	28,007,060	111,437	-	28,118,497	19,854,886	-	1,166,413	21,021,299	7,097,198	8,152,174		
PREVIOUS YEAR	27,846,110	160,950	-	28,007,060	18,670,557	-	1,184,329	19,854,886	8,152,174	9,175,553		



NOTES FORMING PART OF THE ACCOUNTS

NOTE 2.11 NON - CURRENT INVESTMENTS	As at 31.03.2013	As at 31.03.2012
Punjab National Bank		
36 shares of Face Value ₹ 10 (P. Y . 36)	14,040	14,040
TOTAL	14,040	14,040

* Book Value of Quoted Investment **14,040** 14,040

* Market Value of Quoted Investment **25,830** 33,338

NOTE 2.12 LONG TERM LOANS AND ADVANCES	As at 31.03.2013	As at 31.03.2012
Security Deposit	236,880	220,170
TOTAL	236,880	220,170

NOTE 2.13 INVENTORIES	As at 31.03.2013	As at 31.03.2012
1. Raw Materials	54,461,751	39,562,578
2. Finished Goods	1,083,246	624,733
3. Work In Progress	1,465,116	718,037
4. Masters & Moulds	545,730	654,047
5. Stores, Spares & Tools	968,359	1,553,474
6. Trading Goods	117,351	644,092
TOTAL	58,641,554	43,756,960

NOTE 2.14 TRADE RECEIVABLES	As at 31.03.2013	As at 31.03.2012
Unsecured, Considered Good		
- Outstanding for a period exceeding six months	94,353,094	110,158,480
- Others	492,843,581	419,208,883
Less: Allowance for Bad & Doubtful Debts	-	-
	587,196,675	529,367,363
Doubtful	-	-
TOTAL	587,196,675	529,367,363

* Debts considered good for which the company holds no security other than the Debtors Personal Security.

NOTE 2.15 CASH AND CASH EQUIVALENTS	As at 31.03.2013	As at 31.03.2012
Balance with Banks		
With Schedule Bank		
In Current A/c	1,162,826	331,435
In Fixed Deposit	31,157	25,678
Cash on Hand	669,106	879,226
TOTAL	1,863,089	1,236,338

* Fixed Deposit with Banks include deposit of ₹ 31,157/- (P. Y ₹ 25,678/-) with maturity of more than 12 Months maturing on 4th August 2013

**NOTES FORMING PART OF THE ACCOUNTS**

NOTE 2.16 SHORT TERM LOANS AND ADVANCES	As at 31.03.2013	As at 31.03.2012
Others		
Advance Tax & T.D.S	1,389,409	851,628
VAT Receivable	1,537,941	1,100,954
Accrued Interest	1,875	4,797
Margin Money	266,357	482,833
Other Advances	2,089,023	1,448,035
TOTAL	5,284,605	3,888,248

NOTE 2.17 REVENUE FROM OPERATIONS	As at 31.03.2013	As at 31.03.2012
Sale of Products	823,720,082	817,379,494
Gain on Foreign Exchange	-	36,535,703
TOTAL	823,720,082	853,915,197

NOTE 2.18 OTHER INCOME	As at 31.03.2013	As at 31.03.2012
Interest		
Interest on F.D with Bank (including TDS ` Nil , P Y ` Nil)	2,558	1,903
Interest on Security Deposit (including TDS ` 923/- , P Y ` 523/-)	9,223	5,227
Other Income	388,131	252,962
TOTAL	399,911	260,092

* Other Income Includes Income from Dividend, Discount & Bal W/Back

NOTE 2.19 COST OF MATERIAL CONSUMED	As at 31.03.2013	As at 31.03.2012
Opening Stock	39,562,578	40,791,749
Add : Purchase During the Year	509,377,985	417,301,229
Less : Closing Stock	54,461,751	39,562,578
Consumption Of Raw Material During The Year	494,478,811	418,530,400

NOTE 2.20 PURCHASES OF STOCK-IN-TRADE	As at 31.03.2013	As at 31.03.2012
Opening Stock	644,092	82,462
Add : Purchases	274,759,450	347,933,931
Less: Closing Stock	117,351	644,092
TOTAL	275,286,191	347,372,301



NOTES FORMING PART OF THE ACCOUNTS

NOTE 2.21 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS	As at 31.03.2013	As at 31.03.2012
Opening Stock		
Finished Goods	624,733	765,101
Work in Progress	718,037	131,706
	1,342,770	896,807
Closing Stock		
Finished Stock	1,083,246	624,733
Work in Progress	1,465,116	718,037
	2,548,362	1,342,770
(Increase)/Decrease in Stock of Finished & Semi Finished Stock	(1,205,592)	(445,963)

NOTE 2.22 EMPLOYEE BENEFIT EXPENSES	As at 31.03.2013	As at 31.03.2012
Salaries, Wages & Allowances	7,321,716	4,654,794
Bonus Allowance	300,005	119,575
Contribution to Provident and Other Fund	305,951	289,733
Staff Welfare Expenses	322,077	282,522
Remuneration to Directors	1,210,000	1,320,000
TOTAL	9,459,749	6,666,624

As per Accounting Standard 15 "Employee Benefits", the disclosure as defined in the Accounting Standard are given below

Defined Contribution Plan

Contribution to Defined Contribution Plans, recognized as expense for the year is as under;

	2012 - 2013	2011 - 2012
Employer's Contribution to Provident Fund	219,883	213,263

The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis statutory rate.

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation 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 for leave encashment is recognised in the same manner as gratuity.



NOTES FORMING PART OF THE ACCOUNTS

<u>Assumptions</u>	As on 31.3.2013	As on 31.3.2012
Discount Rate	8%	8%
Salary Escalation	5%	5%
<u>Table Showing changes in present value of obligations</u>		
Present value of obligations as at the beginning of the year	202,675	131,987
Interest Cost	16,214	10,559
Current Service cost	33,702	18,268
Benefits paid	(54,375)	-
Actuarial (Gain)/Loss on obligation	117,383	41,861
Present value of obligations as at the end of the year	315,599	202,675
<u>Table Showing Changes in the fair value of plan assets</u>		
Fair value of plan assets as at the beginning of the year	157,860	144,826
Expected return on plan assets	12,102	13,034
Contributions	-	-
Benefits paid	(54,375)	-
Actuarial Gain/(Loss) on obligation	NIL	NIL
Fair value of plan assets as at the end of the year	115,587	157,860
<u>Table Showing fair value of plan assets</u>		
Fair value of plan assets as at the beginning of the year	157,860	144,826
Actual return on plan assets	12,102	13,034
Contributions	-	-
Benefits paid	(54,375)	-
Fair value of plan assets as at the end of the year	115,587	157,860
Funded Status	(200,012)	(44,815)
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual Rate of return=Estimated rate of return as ARD falls on 31st March)		
<u>Actuarial Gain/Loss recognised</u>		
Actuarial (Gain)/Loss for the year- obligations	(117,383)	(41,861)
Actuarial (Gain)/Loss for the year- plan assets	NIL	NIL
Total Actuarial (Gain)/Loss for the year	117,383	41,861
Actuarial (Gain)/Loss recognised for the year	117,383	41,861
<u>Amounts to be recognised in Balance Sheet and Profit & Loss Account</u>		
Present Value of obligations as at the end of the year	315,599	202,675
Fair Value of plan assets as at the end of the year	115,587	157,860
Funded Status	(200,012)	(44,815)
Net Asset/(liability) recognised in Balance Sheet	(200,012)	44,815
<u>Expenses recognised in statement of profit & loss Account</u>		
Current Service cost	33,702	18,268
Interest Cost	16,214	10,559
Expected return on plan assets	(12,102)	(13,034)
Net Actuarial (Gain)/Loss recognised for the year	117,383	41,861
Expenses recognised in statement of profit & loss Account	155,197	57,654



NOTES FORMING PART OF THE ACCOUNTS

NOTE 2.23 FINANCE COST	As at 31.03.2013	As at 31.03.2012
Interest on Working Capital	9,049,657	8,325,261
Bank Charges	1,968,059	1,697,154
TOTAL	11,017,716	10,022,415
NOTE 2.24 DEPRECIATION	As at 31.03.2013	As at 31.03.2012
Depreciation	1,166,413	1,184,329
TOTAL	1,166,413	1,184,329
NOTE 2.25 OTHER EXPENSES	As at 31.03.2013	As at 31.03.2012
<u>Manufacturing Expenses</u>		
Electricity Charges	1,532,286	1,426,892
Export Freight & Clearing	389,234	398,916
Factory Expenses	242,013	141,579
Job Work & Labour Charges	4,784,762	5,926,352
Master & Mould Consumed	233,884	72,672
Packing Material	38,852	33,556
Stores, Spares & Consumable Consumed	2,259,505	1,472,842
Water Charges	128,664	104,890
Total (A)	9,609,201	9,577,698
<u>Selling and Distribution Expenses</u>		
Advertisement & Publicity	98,664	60,098
Sales Promotion Expenses	1,235,070	2,566,642
Discount Allowed	32,464	80,848
Total (B)	1,366,197	2,707,588

**NOTES FORMING PART OF THE ACCOUNTS**

NOTE 2.25 OTHER EXPENSES	As at 31.03.2013	As at 31.03.2012
<u>Administrative & Other Expenses</u>		
Repairs & Maintainance (Plant & Machinery)	86,277	81,382
Repairs & Maintainance (Others)	274,014	220,302
Auditors Remuneration	125,000	80,000
Annual General Meeting Expenses	12,918	10,423
Bad Debts Written Off	-	37,571,667
Car Expenses	99,547	103,700
Conveyance Expenses	94,455	97,125
Custodian Charges	70,950	93,750
Computer Expenses	54,109	262,786
Insurance Premium	2,103,799	2,203,523
Legal & Professional Charges	774,500	754,349
Listing Fees	28,090	11,003
Loss on Foreign Exchange	1,615,031	0
Loss on Forward Contract	162,735	14,641
Membership & Subscription	21,105	60,270
Office General Expenses	27,419	52,015
Printing & Stationery	67,848	90,320
Postage & Telephone Expenses	299,414	248,571
Professional Tax on Companies	-	6,800
Rent, Rates & Taxes	1,406,374	1,525,463
Software Purchase Charges	14,300	15,461
Security Charges	415,848	352,809
Travelling Expenses	226,731	49,477
Total (C)	7,980,465	43,905,837
TOTAL (A+B+C)	18,955,863	56,191,123

* Sales Promotion Expenses include Foreign Travelling Expenses & Sales Commission



NOTES FORMING PART OF THE ACCOUNTS

	2012 - 2013	2011 - 2012
<u>Increase/ (Decrease) in value of Master & Mould</u>		
Opening Stock	654,047	638,001
Add: Purchase	125,567	88,718
Less : Closing Stock	545,730	654,047
Consumption	233,884	72,672
<u>Increase/ (Decrease) in value of Stores, Spares & Consumables</u>		
Opening Stock	1,553,474	1,092,609
Purchases	1,674,391	1,933,707
Less: Closing Stock	968,359	1,553,474
Consumption	2,259,505	1,472,842
<u>Payment to Auditors as</u>		
Auditor		
Statutory Audit Fees	100,000	80,000
Tax Audit Fees	50,000	45,000
Certification, Consultancy and Scrutiny Matter	-	50,000
	150,000	175,000
<u>Expenditure in Foreign Currency</u>		
Commission	-	230,200
Travelling	248,481	241,350
	248,481	471,550
<u>Value of Import On CIF Basis</u>		
Raw Materials	135,958,305	402,159,788
Finished Goods	344,894,078	361,257,220
Stores & Spares	1,931,692	2,065,132
	482,784,075	765,482,140
<u>Working of Earning per Share</u>		
<u>Before Extra Ordinary Items</u>		
Profit After Tax	10,242,483	10,134,952
Basic No. of Equity Shares of Face Value ` 10/- each	7,880,000	7,880,000
EPS Basic `	1.30	1.07
Diluted No. of Equity Shares of Face Value ` 10/- each	7,880,000	7,880,000
EPS Diluted `	1.30	1.07
<u>After Extra Ordinary Items</u>		
Profit After Tax	10,242,483	10,134,952
Basic No. of Equity Shares of Face Value ` 10/- each	7,880,000	7,880,000
EPS Basic `	1.30	1.07
Diluted No. of Equity Shares of Face Value ` 10/- each	7,880,000	7,880,000
EPS Diluted `	1.30	1.07
<u>EARNING IN FOREIGN EXCHANGE</u>		
Export of Goods Calculated on FOB Basis	520,513,545	803,438,155



NOTE 2.26 RELATED PARTY DESCLOSURES :

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

NAME OF RELATED PARTIES

Associates

Kamya Impex Pvt. Ltd.

Key Management Personnel

Gaurav Doshi

Ronak Doshi

RELATED PARTY TRANSACTIONS

Nature of Transaction	2012-13 (2011-12)	
	Associates	Key Management Personnel
Transactions during the year		
Loan Received	-	150,000
(Previous Year)	-	(Nil)
Re-payment of Loan	-	1,000,000
(Previous Year)	-	(400,000)
Remuneration	-	1,276,000
(Previous Year)	-	(1,392,000)
Balances at the year end:		
Payable	12,679,069	-
(Previous Year)	(1,256,127)	-
Unsecured Loans	-	2,447,000
(Previous Year)	-	(3,297,000)

As per our Report of even date attached

Auditors' Report

As per our Report of even date attached
For Ashok Bairagra & Associates
Chartered Accountants
Firm Reg. No. 118677W

Ashish Jalan
Partner
Membership No. : F-125707
Dated : 30th May, 2013
Place : Mumbai

For and on behalf of the Board of Directors

Gaurav Doshi **Ronak Doshi**
Chairman & Vice Chairman &
Managing Director Whole Time Director

NEOGEM INDIA LIMITED

ATTENDANCE SLIP

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

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

I/We hereby record my presence at the **TWENTY-SECOND ANNUAL GENERAL MEETING** on Monday, 30th September 2013 at 1.30 p.m. at Hotel Tunga Paradise, M.I.D.C. Central Road, Andheri (East), Mumbai - 400 093.

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

Ledger Folio No.....No. of Shares held..... Client ID D P ID.....

NEOGEM INDIA LIMITED

PROXY FORM

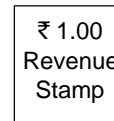
Regd. Office:
G-32, Gem & Jewellery Complex No.III,
2nd floor, Seepz, Andheri (East), Mumbai - 400 096

Ledger Folio No.....No. of Shares held.....Client ID D P ID.....

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

as my/our Proxy to attend and vote for me/us and on my/our behalf at the **TWENTY-SECOND ANNUAL GENERAL MEETING ON MONDAY, 30TH SEPTEMBER 2013 AT 1.30 P.M. AT HOTEL TUNGA PARADISE, M.I.D.C. CENTRAL ROAD, ANDHERI (EAST), MUMBAI - 400 093** and at any adjournment thereof.

Signed this day of, 2013.



Signed by the said

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

Book Post

Important Communication to Members

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

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

if undelivered please return to :

Neogem India Limited

G/32, G & J Complex III,
Seepz (SEZ), Andheri (E),
Mumbai - 400 096.

Contact Person :

Mr. Sanjay Boradia

Tel. : 91-22-3088 2640.

NEOGEM [I] LTD.

MANUFACTURERS OF DIAMOND JEWELLERY



®

REGD. OFF. :G-32, GEM & JEWELLERY COMPLEX III,
SEEPZ , ANDHERI (EAST), MUMBAI - 400 096 INDIA.
TEL. :30882640, 30882641* FAX : (+91-22) 28291123
E-mail : mail@neogemindia.com
Website : www.neogemindia.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Neogem India Limited
2.	Annual financial statements for the year ended	31 st 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- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	<p>For NEOGEM [I] LTD.</p> <p><i>[Signature]</i> Director</p> <p>For ASHOK BAIKRA & ASSOCIATES</p> <p>x <i>[Signature]</i> PARTNER</p> <p>x <i>[Signature]</i></p>