



SWARNSARITA

world class jewellery

22nd Annual Report 2013 - 2014

BOARD OF DIRECTORS:

Mahendra M. Chordia
Rajendra Chordia
Sunil Jain
Ashok Surana
Sunderlal Bothra
Vishal Nolkha

Chairman & Managing Director
Executive Director
Executive Director
Non Executive Independent Director
Non Executive Independent Director
Non Executive Independent Director

AUDITORS**SURESH ANCHALIYA & CO.**

Chartered Accountants
1608-C, Panchratna,
Opera House, Mumbai - 400004

BANKERS**UNION BANK OF INDIA**

Zaveri Bazar,
Mumbai-400003

HDFC Bank Limited

Crawford Market
Mumbai- 400 001

STATE BANK OF INDIA

Bullion Branch,
Kalbadevi Road, Mumbai- 400002

REGISTERED OFFICE

17/19, Dhanji Street, Ground Floor,
Mumbai-400 003

REGISTRAR & SHARE TRANSFER AGENT**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**

Unit No. 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool, Andheri (East),
Mumbai-400 072

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **SWARNSARITA GEMS LIMITED** will be held at Indian Merchant Chamber, Kilachand Conference Room, Indian Merchant's Chamber Building Trust Room, IMC Marg, Churchgate, Mumbai-400020 on **Monday, 22nd September, 2014 at 11.30 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt
 - (a) the Audited Financial Statement of the Company for the financial year ended 31st March 2014 together with the Directors Report and Auditor's Report thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended 31st March 2014
2. To appoint a Director in place of Mr. Rajendra Chordia (**DIN: 00175646**), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint M/s. Suresh Anchaliya & Co., Chartered Accountants (**Regn No. 112492W**), Mumbai, as the Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Vishal Nolkha (**DIN: 06855541**), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 29, 2014 and who holds office up to the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 but who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 160 of the Companies Act, 2013 from a member of the Company proposing his appointment as a Director of the Company and who has consented, if appointed, to act as an Independent Director, be and is hereby appointed as an Independent Director of the Company up to March 31, 2019, not liable to retire by rotation."
5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Ashok Surana (**DIN: 02799316**), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ashok Surana as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office upto March 31, 2019, not liable to retire by rotation."
6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the revision in the remuneration of Mr. Rajendra Chordia (**DIN: 00175646**) being Whole-time Director, designated as Executive Director of the Company, **from existing limit of Rs.5,00,000/- (Rupees Five Lacs) per annum to increased limit of Rs.10,00,000/- (Rupees Ten Lacs) per annum** for the remaining period of his tenure which expires on 29th May 2018 with the rest of the terms and conditions of his appointment as such remaining the same as approved by the Members of the Company at their 21st Annual General Meeting, subject to the same not exceeding the limits as specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company and pursuant to Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, the movable and / or immovable assets and properties of the Company, wherever situated, present and future, whether presently belonging to the Company or not, in favour of any person including, but not limited to, financial / investment institution(s), bank(s), insurance company(ies), mutual fund(s), corporate body(ies), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding **Rs.500,00,00,000/- (Rupees Five Hundred Crores only).**"

“RESOLVED FURTHER THAT the Board of Directors or such Committee or person/(s) as may be authorized by the Board be and is hereby authorized to finalize the form, extent and manner of, and the documents and deeds, as may be applicable, for creating the appropriate mortgages and/or charges on such of the immovable and / or movable properties of the Company on such terms and conditions and at such time(s) / tranche(s) as may be decided by the Board of Directors in consultation with the lenders and for reserving the aforesaid right and for performing all such acts and things as may be necessary for giving effect to this resolution.”

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

“RESOLVED THAT in supersession of the resolution passed by the Shareholders of the Company and pursuant to Section 180 (1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company’s business, such sum or sums of money, as they in their absolute discretion think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company and remaining outstanding shall be in excess of the aggregate of the paid-up share capital and free reserves, but not exceeding **Rs.500,00,00,000/- (Rupees Five Hundred Crores only)** over and above the paid up share capital and free reserves for the time being of the Company.”

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 5 read with Section 14, Table F of Schedule I and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded for adoption of new set of Articles of Association of the Company as placed before the meeting by substituting the existing Articles of Association of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall include any Committee(s) of the Board) be and is hereby authorized to sign and execute such Forms, papers, documents, deeds and instrument and to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient by them for the purpose of giving effect to this resolution relating to adoption of a new set of Articles of Association by the Company.”

For and on behalf of the Board of Directors

**Place : Mumbai
Date : 09/08/2014**

**Mahendra M. Chordia
Chairman & Managing Director**

REGISTERED OFFICE:
17/19, Ground Floor, Dhanji Street,
Mumbai- 400 003. Maharashtra.

NOTES:

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.***

THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Chairman, so as to reach the registered office of the Company at least seven days before the date of the meeting, to enable the Company to make available the required information at the meeting, to the extent possible.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books will remain closed from **Thursday, 18th September, 2014 to Monday, 22nd September, 2014 (both days inclusive).**

5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & Public holidays between 12.00 p.m. to 2.00 p.m. up to the date of Annual General Meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members
7. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participant (DP) in respect of their electronic share accounts and to the Company's Registrar & Share Transfer Agent at **SHAREX DYNAMIC (INDIA) PRIVATE LIMITED** Unit No. 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072 in respect of their physical share folios.
8. Members are requested to bring their copy of Annual Report to the Meeting alongwith their respective Attendance Slip sent herewith duly filled for attending the Meeting.
9. Since the securities of the Company are compulsorily tradable in electronic form, to ensure better investor service and elimination of risk of holding securities in physical form, it is requested that the members holding shares in physical form to get their shares dematerialized at the earliest.
10. Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 is annexed for items of the Special Businesses in the Notice of AGM.

Instructions for Voting through electronics means:

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 22nd Annual General Meeting (AGM) by electronic means and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

- (i) The voting period begins on **Tuesday, September 16, 2014 (9:00 am) and ends on Thursday, September, 18, 2014 (6:00 p.m.)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 23, 2014, may cast their vote electronically.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "Swarnsarita Gems Limited" from the drop down menu and click on "SUBMIT"
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 [Eight] digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg. If your name is Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the date of Birth as recorded in your demat account or in the company records for the said demat amount or folio in dd/mm/yyyy format.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Swarnsarita Gems Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders & Custodians:
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The voting rights of the members shall be in proportion to their of paid-up equity share capital of the Company as on relevant date of August 23, 2014.
- (xxii) Mr. Deep Shukla, has been appointed as the scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- (xxiii) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman & Managing Director of the Company.
- (xxiv) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website **www.swarnsarita.com** and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Item No. 4:

Mr. Vishal Nolkha was appointed as an Additional Director by the Board with effect from March 29, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 108 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Vishal Nolkha will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Vishal Nolkha for the office of independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Vishal Nolkha the following:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- iii. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Vishal Nolkha as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Vishal Nolkha, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management.

No Director, key managerial personnel or their relatives, except Mr. Vishal Nolkha, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.4 for approval of the Members.

Item No. 5:

Mr. Ashok Surana is a Non executive Independent Director of the Company and was appointed as such on April 15, 2011. Mr. Ashok Surana retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and any other applicable of the Companies Act, 2013, Mr. Ashok Surana being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director of the Company for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs.1,00,000/- proposing the candidature of Mr. Ashok Surana for the office of independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Ashok Surana the following:

- i. Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014;
- ii. Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013; and
- iii. A declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Ashok Surana as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Mr. Ashok Surana, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the Management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Ashok Surana in the capacity of Independent Director.

No Director, key managerial personnel or their relatives, except Mr. Ashok Surana, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no.5 for approval of the Members.

Item No. 6:

Mr. Rajendra Chordia was appointed as an Additional Director of the Company w.e.f. 30th May, 2013 and subsequently as the Whole time Director of the Company for a period of five years.

Mr. Rajendra Chordia, aged 40 years is proposed as an Executive Director of our Company. He is from Commerce background and has good experience of over 17 years in the field of Gold and Diamond industry. Taking into consideration such vast experience and knowledge which shall be beneficial to the progress and growth of the Company, it is proposed to reward Mr. Rajendra Chordia

with increase in his upper limit of remuneration from existing Rs.5,00,000/- to revised Rs.10,00,000/- as an Executive Director of the Company. The rest of the terms and conditions as approved by the Members at their 21st Annual General Meeting remains the same. Except Mr. Mahendra M Chordia (being brother) and Mr. Rajendra Chordia (being himself), no other Director of the Company may be deemed to be concerned or interested in passing of said resolution.

Your Directors recommend the said Resolution for your approval.

Item No. 7:

The Company may borrow monies by way of debentures, bonds, loans, hire purchase finance either in rupee or in foreign currency from Financial Institutions / Banks / Insurance Companies and other Corporate Bodies apart from working capital facilities from banks in ordinary course of business. This in turn would necessitate further creation of securities by suitable mortgages and / or charges on all or some of the immovable and movable properties of the Company, both present and future, in favour of the lenders / trustees. To create mortgage and / or charge upto the limit of Rs.500 crores, approval of the Members is required to be obtained pursuant to Section 180 (1) (a) of the Companies Act, 2013 authorizing the Board of Directors of the Company in this regard. Hence the resolution is placed before the Members for their approval.

Your Directors recommend passing the above resolution.

None of the Directors is concerned or interested in the said resolution.

Item No. 8:

Your Board of Directors is of the opinion that for any future business expansion or diversification which may be carried out by the Company, the Company requires infusion of additional funds. Hence, the requirement for mobilization of the funds has been substantially increased. Therefore, it is considered desirable to increase the Board's borrowing powers upto the limit of Rs.500 Crores over and above the paid-up share capital and free reserves of the Company.

Accordingly, the consent of the Shareholders at the General Meeting is sought under Section 180 (1) (c) of the Companies Act, 2013.

Your Directors recommend passing the above resolution.

None of the Directors is concerned or interested in the said resolution.

Item No. 9:

The Directors at their meeting held on May 22, 2014 decided to incorporate/substitute provisions relating to newly enacted Companies Act, 2013 as applicable to the Company. As this would result in number of changes and amendments to the existing Articles of Association of the Company, it was considered desirable to adopt a comprehensive new set of Articles of Association in substitution and t the exclusion of the existing set of the Articles of Association of the Company to have new articles as per the provisions of the Companies Act, 2013 and Table F of Schedule I.

Pursuant to the provisions of Section 5 of the Companies Act, 2013, alteration of Articles of Association requires approval of the members of the Company by way of passing a Special Resolution in general meeting.

A copy of new set of articles of association to be adopted, as referred to in the notice / explanatory statement hereto, is available at the Registered Office of the Company between 12.00 p.m. to 2.00 p.m. on any working day till the date of this meeting.

The Board of Directors recommend passing of the resolution for adoption of new set of Articles of Association as set out in the resolution under item no. 8 of the notice.

None of the Directors is concerned or interested in the said resolution.

For and on behalf of the Board of Directors

**Place : Mumbai
Date : 09/08/2014**

**Mahendra M. Chordia
Chairman & Managing Director**

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement)

Names of Directors	Age	Nature of expertise	Qualifications	Other Directorships	Membership in the committees of other Public Companies	Share Holding
Mr. Rajendra Chordia	41	16 years experiance in Gold & diamond Jewellery	B. Com1st year	2	Nil	Nil
Mr. Vishal Nolkha	25	Expert in the field of Finance and Marketing	CFA level III	Nil	Nil	Nil
Mr. Ashok Surana	48	Expert in the field of Taxation and Accountancy	Chartered Accountant	2	Nil	Nil

DIRECTORS' REPORT

To

The Members of**SWARNSARITA GEMS LIMITED**

Your Directors have pleasure in presenting the 22nd Annual Report on the operations of the Company together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS:**(Rs. in Lacs)**

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Total Income	17233.29	15808.65
Profit / (Loss) Before Depreciation & Taxes	268.64	210.50
Less: Depreciation	8.35	7.55
Profit / (Loss) Before Tax	260.29	202.95
Less: Provision for Current Tax	52.69	41.04
Less: Provision for Deferred Taxation	(0.36)	0.48
Less: Earlier Tax	0.00	2.58
Profit / (Loss) After Tax for the year	207.97	158.85
Add: Balance in Reserves & Surplus	3782.93	3746.21
Less: Appropriations		
Proposed Dividend	0.00	104.38
Taxes on Dividend	0.00	17.74
Dividend Rounding off	-	-
Closing Balance	3990.90	3782.94

BUSINESS OUTLOOK:

During the year under the review, the company has earned profit before tax of Rs.260.29 lacs. Whereas profit after tax was of Rs.207.97 lacs as against profit before tax of Rs.202.95 lacs and profit after tax of Rs.158.85 lacs for the corresponding previous year.

DIVIDEND:

Your Directors do not recommend any dividend for the financial year ended March 31, 2014 in view to conserve the resources of the Company for any future expansion programme.

DIRECTORS:

As per the provisions of the Companies Act, 2013, Mr. Rajendra Chordia, Director of the Company, retires by rotation and being eligible; offers himself for re-appointment at the ensuing Annual General Meeting.

Further, Mr. Ganpat Karnawat resigned as Director of the Company with effect from March 29, 2014 and Mr. Vishal Nolkha was appointed as an Additional Director of the Company with effect from March 29, 2014.

The Companies Act, 2013 (the Act) provides for appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective from April 1, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a company; and shall be eligible for re-appointment on passing of special resolution by the shareholders of the company.

Sub-section (1) states that no independent director shall be eligible for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in sub-sections (6) and (7) of Section 152 of the Act shall not apply to such independent directors.

The non-executive independent directors were appointed as directors liable to retire by rotation under the provisions of the erstwhile Companies Act, 1956. The Board of Directors has been advised that non executive (independent) directors so appointed would continue to serve the term that was ascertained at the time of appointment as per the resolution pursuant to which they were appointed. Therefore, it stands to reason that only those non-executive (independent) directors who will complete their present term at the ensuing AGM of the Company in 22nd September 2014, being eligible and seeking re-appointment, be considered by the shareholders for re-appointment for a term of upto five consecutive years.

Non-executive (independent) directors who do not complete their term at the ensuing AGM, will continue to hold office till the expiry of their term (based on retirement period calculation) and thereafter would be eligible for re-appointment for a fixed term in accordance with the Companies Act, 2013.

Further Mr. Vishal Nolkha & Mr. Ashok Surana were appointed as the Independent Directors of the Company for a term of 5 consecutive years effective from April 1, 2014 upto March 31, 2019

RECONSTITUTION OF COMMITTEES OF THE COMPANY AND SUBSEQUENT RENAMING OF THE SAME AS PER PROVISIONS OF THE COMPANIES ACT, 2013:

Based on the relevant provisions of the Companies Act, 2013, the committees of the Company are renamed as under. Further, due to changes in the composition of the Board of Directors, Committees of the Company also stand reconstituted as under:

Audit Committee:

Names of Directors	Category
Mr. Ashok Surana	Chairman & Non-Executive Independent
Mr. Sanjay Kothari ¹	Non-Executive Independent
Mr. Mahendra Chordia	Executive Non Independent
Mr. Ganpat Karnawat ²	Non-Executive Independent
Mr. Vishal Nolkha ³	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

Stakeholders Relationship (formerly Shareholders / Investors Grievance) Committee:

Names of Directors	Category
Mr. Ashok Surana	Chairman Non Executive Independent
Mr. Sanjay Kothari ¹	Non-Executive Independent
Mr. Ganapat Karnawat ²	Non-Executive Independent
Mr. Mahendra Chordia	Executive Non Independent
Mr. Vishal Nolkha ³	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

Nomination and Remuneration Committee (formerly Remuneration Committee):

Names of Directors	Category
Mr. Ashok Surana	Chairman & Non-Executive Independent
Mr. Sanjay Kothari ¹	Non-Executive Independent
Mr. Ganapat Karnawat ²	Non Executive Independent
Mr. Mahendra Chordia	Executive Non Independent
Mr. Vishal Nolkha ³	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

FIXED DEPOSITS:

The Company has not accepted any deposits from public and no amount of principle or interest was outstanding as of the Balance Sheet date.

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

Since your Company does not own manufacturing facility, the particulars relating to the conservation of energy and technology absorption as prescribed u/s. 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 do not apply to the Company in respect of the year under reference.

Further, there is no foreign exchange earnings and outgo during the year under review.

PARTICULARS OF EMPLOYEES:

Information as per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 duly amended by the Companies (Particulars of Employees) Rules, 2011 for the year ended 31st March, 2014 is not applicable to the Company as none of the employees come within the ambit of said Rules.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, your Directors confirm the following:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts for the year ended 31st March, 2014 has been prepared on a going concern basis.

AUDITORS:

M/s. Suresh Anchaliya & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retires at the conclusion of this Annual General Meeting and being eligible offers themselves for re-appointment.

AUDITORS' REPORT:

M/s. Suresh Anchaliya & Co., Chartered Accountants, Mumbai, the Statutory Auditors of your Company, submitted their reports for the year ended March 31, 2014 which are self explanatory and requires no comments or explanation under Section 217(3) of the Companies Act, 1956.

SUBSIDIARY COMPANY:

The Company has made investment in Swarnasarita Realty Private Limited, of 100% by acquiring its share capital, thus making it the subsidiary of our Company.

Further Statement under Section 212 of the Companies Act, 1956 is enclosed herewith.

LISTING:

The shares of the company are listed at the Bombay Stock Exchange Limited, Mumbai. The Company has paid the annual listing fees to the BSE for the year 2014-2015.

CORPORATE GOVERNANCE:

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the stipulations set out in the Listing Agreement with the Stock Exchange.

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, forms part of this Annual Report.

The Certificate from the Statutory Auditors of the Company, M/s. Suresh Anchaliya & Co., confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their gratitude for the support and co-operation from the Outgoing Directors, Financial Institutions, Investors, Banks, Vendors, Members and Statutory Authorities. Your Directors express their deep appreciation to the Company's employees at all levels for their unstinted efforts and valuable contributions during the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 22nd May, 2014

Mahendra M Chordia
Chairman & Managing Director

Statement pursuant to Section 212 of the Companies Act, 1956

Sr. No.	Name of the Subsidiary	SWARNSARITA REALTY PVT. LTD.
1	Financial Year Ended	31/03/2014
2.	Date from which it became subsidiary company	10/11/2012
3	Shares of Subsidiary held as on 31st March, 2014	10000000
a.	Total Number of Shares and face value	10000000 [FV ₹10/- each]
b.	Extent of holding	100%
4	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of Swarnsarita Gems Limited for current financial year	
a.	Dealt with in the accounts of Swarnsarita Gems Ltd.	(₹ 3,08,501)
b.	Not dealt with in the accounts of Swarnsarita Gems Ltd.	Nil
5	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of Swarnsarita Gems Ltd. for the previous financial year	
a	Dealt with in the accounts of Swarnsarita Gems Ltd.	(₹ 2,16,159)
b	Not dealt with in the accounts of Swarnsarita Gems Ltd.	Nil

For and on behalf of the Board of Directors

Place : Mumbai
Date : 22nd May, 2014

Mahendra M Chordia
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

The Corporate Governance code introduced by Securities and Exchange Board of India ('SEBI') as adapted by incorporating Clause 49 in the listing agreement of the Stock Exchange and also by applicable provisions of the Companies (Amendment) Act, 2000, is being implemented by the company.

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations.

Recently, the Securities and Exchange Board of India (SEBI) sought to amend the listing agreement to bring in additional corporate governance norms for listed companies. These norms provide for strict disclosures and protection of investor rights, including equitable treatment of minorities and foreign shareholders.

Many of the amendments are effective from October 1, 2014. The amended rules require the Company to get the shareholders approval for related party transactions, establish whistleblower mechanism, elaborate disclosures on pay packages and have at least one woman director on boards.

The amended norms are aligned with the provisions of the Companies Act, 2013 and are aimed to encourage companies to adopt best practices on corporate governance.

A report on Corporate Governance is given as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good governance practices stem from the culture and mindset of the organization. The governance is about out-performing sustainable organization. These are the organizations that succeed consistently in the market place, gain a greater share of market opportunities and sustainably drive their top and bottom lines.

Corporate Governance contains a set of principles, process and systems to be followed by Directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in the view the interest of other stakeholders. While adhering to the above, the Company is committed to integrity, transparency, accountability and compliance with laws in all dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards.

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors.

(i) The Board of the Directors as on **31st March, 2014** comprised of following Executive and Non-Executive Directors:

Sr. No.	Name of the Directors	Category of Directorship
1.	Mr. Mahendra M. Chordia	Chairman & Managing Director
2.	Mr. Sunil Jain	Whole-time Director
3.	Mr. Ashok Surana	Non-Executive Independent
4.	Mr. Sanjay Kothari ¹	Non-Executive Independent
5.	Mr. Vallabhbbhai Patel ²	Executive
6.	Mr. Ganpat Karnawat ³	Non-Executive Independent
7.	Mr. Sunderlal Bothra ⁴	Non-Executive Independent
8.	Mr. Rajendra Chordia ⁵	Whole-time Director
9.	Mr. Vishal Nolkha ⁶	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 30th May 2013.

³ Resigned as Director w.e.f. 29th March, 2014.

⁴ Appointed as Independent Director w.e.f. 02nd May 2013.

⁵ Appointed as Whole time Director w.e.f. 30th May 2013.

⁶ Appointment as an Additional Director w.e.f. 29th March, 2014.

(ii) Number of Board Meetings held and the dates on which held

During the financial year 2013-2014, 06 meetings of the Board of Directors were held on 02nd May 2013, 30th May 2013, 14th August 2013, 31st October 2013, 13th February 2014 and 29th March 2014.

(iii) Directors' Attendance Record at the Board Meetings and the Last Annual General Meeting

Name of Directors	Category	No. of Board Meetings Attended during the F.Y. 2013-2014	Attendance at Previous AGM on 19 th Sep, 2013
Mr. Mahendra Chordia	Executive	6	Yes
Mr. Sunil Jain	Executive	6	Yes
Mr. Ashok Surana	Non Executive Independent	6	Yes
Mr. Sanjay Kothari ¹	Non Executive Independent	-	-
Mr. Vallabhbhai Patel ²	Executive	1	No
Mr. Ganpat Karnawat ³	Non Executive Independent	6	No
Mr. Sunderlal Bothra ⁴	Non-Executive Independent	3	No
Mr. Rajendra Chordia ⁵	Executive	5	Yes
Mr. Vishal Nolkha ⁶	Non-Executive Independent	-	-

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 30th May 2013.

³ Resigned as Director w.e.f. 29th March, 2014.

⁴ Appointed as Independent Director w.e.f. 02nd May 2013.

⁵ Appointed as Whole time Director w.e.f. 30th May 2013.

⁶ Appointment as an Additional Director w.e.f. 29th March, 2014.

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business, industry, finance, management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member on more than ten Committees and Chairman of more than five Committees as per Clause 49 (IV) (B) across all Companies in which they are Directors.

(b) Board Committees:

The Board has constituted **three** committees namely Audit committee, Stakeholders Relationship committee (formerly known as Shareholders'/Investors' Grievance Committee) and Nomination and Remuneration committee (formerly known as Remuneration committee). The said committees were renamed as per relevant provisions of the Companies Act, 2013. The Committees of Board provides and evaluates the strategies Direction of the company, Management policies and their effectiveness and ensures that the long-term interests as the shareholders are being served.

(c) Board Procedure:

The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board.

3. AUDIT COMMITTEE:

(a) Composition:

The Audit Committee comprises of three Directors, out of which two are Non Executive Independent Directors. Mr. Ashok Surana is the Chairman of the Audit Committee.

During the financial year 2013-2014, four Audit Committee Meetings were held on 30th May 2013, 14th August, 2013, 31st October 2013 and 13th February 2014.

The constitution of the re-constituted Audit Committee is as under:

Names of Directors	Category
Mr. Ashok Surana	Chairman & Non-Executive Independent
Mr. Sanjay Kothari ¹	Non-Executive Independent
Mr. Mahendra Chordia	Executive Non Independent
Mr. Ganpat Karnawat ²	Non-Executive Independent
Mr. Vishal Nolkha ³	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

The attendance of the Audit Committee meeting is as under:

Names of Directors	Category	No. meetings attended
Mr. Ashok Surana	Chairman & Non-Executive Independent	4
Mr. Sanjay Kothari ¹	Non-Executive Independent	-
Mr. Mahendra Chordia	Executive Non Independent	4
Mr. Ganpat Karnawat ²	Non-Executive Independent	4
Mr. Vishal Nolkha ³	Non-Executive Independent	-

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 19/09/2013 to attend the shareholders' queries.

The Audit Committee has been vested with the following powers:

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

(b) Terms of Reference

The terms of reference of the Audit Committee include the matters specified under Clause 49(II) of the Listing Agreement entered into with the Bombay Stock Exchange Limited includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgement by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - 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, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the 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 the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is 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 in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

(a) Composition

The Nomination and Remuneration Committee (formerly known as Remuneration Committee) comprises of three Directors. Mr. Ashok Surana is the Chairman of the said Committee.

The Constitution of Nomination and Remuneration Committee is as under:

Names of Directors	Category
Mr. Ashok Surana	Chairman & Non-Executive Independent
Mr. Sanjay Kothari ¹	Non-Executive Independent
Mr. Ganapat Karnawat ²	Non Executive Independent
Mr. Mahendra Chordia	Executive Non Independent
Mr. Vishal Nolkha ³	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

(b) Terms of reference

- Fix the remuneration payable to the Executive Directors;
- Review the performance of employees and their compensation; and
- Review the performance of employees against specific key result areas identified as yardsticks for measuring performance.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has a Stakeholders Relationship Committee.

(a) Functions

The Board of Directors of the Company has constituted a Committee of Directors which also functions as Stakeholders Relationship (formerly known as 'Shareholders'/Investors Grievances Committee'), consisting of three members. The Committee inter-alia, deals with various matters relating to:

- transfer/transmission of shares;
- issue of duplicate share certificates;
- Investors, grievances and redressal mechanism and recommend measures to improve the level of investor services.

Details of shares transfer/transmission approve by the Committee and Shareholders'/Investors' grievances are placed at the Board Meetings from time to time.

The share department of the company and registrar and transfer agents, Sharex Dynamic (India) Private Limited attends expeditiously to all grievances/ correspondences of the shareholders and investors. The complaints are generally resolved within 30 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

(b) Composition

Mr. Ashok Surana is the Chairman of the Stakeholders Relationship Committee (formerly known as Share Transfer cum Shareholders'/Investors' Grievance Committee).

The constitution of Stakeholders Relationship Committee is as under:

Names of Directors	Category
Mr. Ashok Surana	Chairman Non Executive Independent
Mr. Sanjay Kothari ¹	Non-Executive Independent
Mr. Ganapat Karnawat ²	Non-Executive Independent
Mr. Mahendra Chordia	Executive Non Independent
Mr. Vishal Nolkha ³	Non-Executive Independent

¹ Resigned as Director w.e.f. 02nd May 2013.

² Resigned as Director w.e.f. 29th March, 2014.

³ Appointment as an Additional Director w.e.f. 29th March, 2014.

Details of shareholders' complaints received, not solved and pending share transfers:

The Company has received 1 investor complaint during the year, which were disposed off by the Company and there are no Investor complaints pending till March 31, 2014.

6. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings (AGM) of the Company are as under:

Financial Year	Date of the AGM	Location	Time	Special Resolution passed
2010-11	30 th July, 2011	Lavender Baug, 1 st Floor, 90 Feet Road, Garodia Nagar, Ghatkopar (East), Mumbai- 400 077.	10.30 A.M	3
2011-12	18 th September, 2012	Indian Merchant Chamber, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.	11.00 A.M	NIL
2012-13	19 th September, 2013	Indian Merchant Chamber, Kilachand Conference Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.	11.30 A.M	NIL

7. DISCLOSURES:

The details regarding related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with the Company's interest, have been shown in Note 10 of Part B under the heading Notes to Accounts of Note No. 24 to the Annual Accounts for the year ended 31st March, 2014.

8. MEANS OF COMMUNICATION:

The Company publishes its quarterly audited & unaudited financial results in national & regional newspapers. The Company also sends the financial results to the Stock Exchange Immediately after it's approved by the Board. The Company has displayed the Annual report for last 2 years on 2011-2012 and 2012-2013 on website of the company. The Company has not sent half yearly report to the shareholders. The financial results and the official news releases of the Company are also displayed on the website of the Company, viz, www.swarnsarita.com

9. GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting

Day, Date and Time	Monday, 22 nd September 2014 at 11.30 AM
Venue	Kilachand Conference Room, Indian Merchant's Chamber Building Trust Room, IMC Marg, Churchgate, Mumbai-400020
Next Financial Year	<u>1st April, 2014 to 31st March, 2015</u> Unaudited Results: First Quarter ended 30/06/2014 - Up to 15 th August, 2014 Second Quarter ended 30/09/2014 - Up to 15 th November, 2014 Third Quarter ended 31/12/2014 - Up to 15 th February, 2015 Audited Results: For year ended 31/03/2015 - Up to 30 th May, 2015
Date of Book Closure	Thursday, 18 th September 2014 to Monday 22 nd September 2014 (both day inclusive)
Listing on Stock Exchange	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Web: www.bseindia.com
Scrip Code	526365
ISIN	INE967A01012

The Company has paid Annual Listing Fees for the year 2014-2015 to Bombay Stock Exchange Limited (BSE) and the Custodial Fees for the year 2014-2015 to National Securities Depositories Limited and Central Depositories Services (India) Limited.

Stock Price Data:

The monthly high and low quotations and volume of shares traded on Bombay Stock Exchange Limited during the financial year 2013-2014 are as follows:

Year	Month	High (In ₹)	Low (In ₹)	No. of Shares
2013	April	43.85	32.20	6,39,592
	May	42.00	32.55	9,02,478
	June	47.95	32.30	6,82,465
	July	48.00	39.95	4,06,355
	August	45.90	28.10	8,54,846
	September	47.80	35.50	7,21,762
	October	48.00	36.10	9,51,796
	November	48.30	35.00	5,69,047
	December	47.95	36.50	6,78,945
2014	January	51.95	40.00	25,82,328
	February	53.50	41.00	9,03,936
	March	55.60	33.05	63,85,082

Registrar & Share Transfer Agent:

The Company entrusted the entire work relating to processing of transfer of securities to M/s. Sharex Dynamic (India) Private Limited, a SEBI Registered R & T Agent.

The Registrar & Share Transfer Agent be contacted at-
Sharex Dynamic (India) Private Limited

Luthra Indus. Estate, 1st Floor,
Safed Pool, Andheri-Kurla Road,
Mumbai: 400 072.

Tel. Nos.: 022-28515606, 28515644

Fax No. : 022-228512885

Web Site: www.sharexindia.com

Compliance Officer

Mr. Sunil Jain is the Whole time Director & Compliance Officer of the Company.

Share Transfer System:

Shares sent for transfer in physical to Sharex (India) Private Limited (R&T Agents), are registered and returned with a period of 30 days from the date of receipt, if the documents are in order. The Share Transfer Committee meets generally on a fortnightly basis to consider the transfer proposal. All requests for dematerialization of shares are processed by the Company and Sharex (India) Private Limited within 21 days.

Dematerialization of shares:

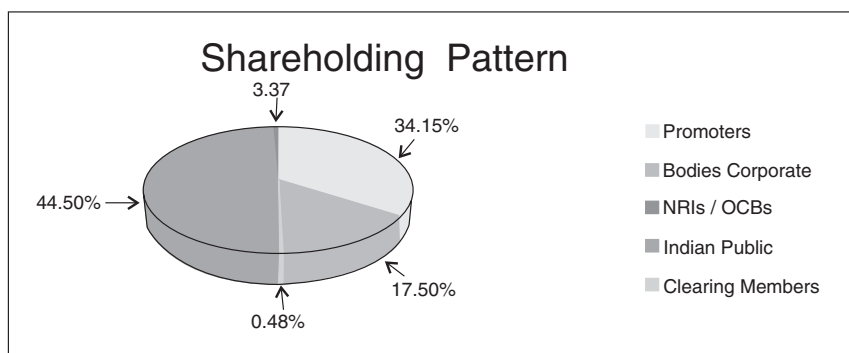
Equity Shares of the Company can only be traded in dematerialized form, so it is advisable that the shareholders who have shares in physical form get their shares dematerialized. As on 31st March, 2014, 2,01,46,575 Equity shares of ₹ 10/- each comprising 96.50% of the total paid up share capital were held in dematerialized form with NSDL and CDSL.

Distribution of shareholding as on March 31, 2014:

Shareholding of Nominal Value	No. of Shareholders	% of holders	Total Amount (In Rs.)	% of Amount
Up To 5000	8228	92.80	10398080.00	4.98
5001 to 10000	263	2.97	2152440.00	1.03
10001 to 20000	125	1.41	1953630.00	.94
20001 to 30000	54	.61	1400260.00	.67
30001 to 40000	21	.24	749560.00	.36
40001 to 50000	27	.30	1280320.00	.61
50001 to 100000	45	.51	2983220.00	1.43
100001 & above	103	1.16	187850490.00	89.98
Total	8866	100	208768000.00	100.00

Shareholding Pattern as on 31st March, 2014.

Category	No. of Shares held	% of holding
Promoters	7128761	34.15
Financial Institutions, Insurance Companies, Banks and Mutual Funds, etc.	Nil	-
Foreign Institutional Investors	Nil	-
Bodies Corporate	3654408	17.50
NRIs / OCBs	99800	0.48
Indian Public	9289689	44.50
Clearing Members	704142	03.37
Total	20876800	100.00

**Address for Correspondence**

Swarnsarita Gems Limited
 17/19, Ground Floor, Dhanji Street, Mumbai- 400 003
 Tel: +91-22-4359 0000
 Fax: +91-22-4359 0010
 Email id: info@swarnsarita.com
 Website: www.swarnsarita.com

Permanent Account Number:

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to the Depository Participants with whom they are maintaining demat accounts. Members holding shares in physical form are required to submit their PAN details to the Company/ Registrar and share Transfer Agent.

GREEN INITIATIVE

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of Profit and Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the Company's e-mail address viz. info@swarnsarita.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

DECLARATION

All the members of the Board and the senior management personnel have, for the year ended March 31, 2014, affirmed compliance with the code of conduct laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement with the Stock Exchange.

For: Swarnsarita Gems Limited
Mahendra M Chordia
Chairman & Managing Director

Place: Mumbai

Date: 22nd May, 2014

CERTIFICATION BY MANAGING DIRECTOR:

I, Mahendra Chordia, Managing Director of **SWARNSARITA GEMS LIMITED**, to the best of our knowledge and belief, certify that:

- a. We have reviewed the balance sheet and profit and loss account and all the schedules and notes on accounts, as well as the cash flow statements, and the directors' report;
- b. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made;
- c. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
- d. To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct;
- e. We accept the responsibility for establishing and maintaining internal controls for financial reporting evaluate the effectiveness, disclosing the deficiencies in the design or operation of internal controls, if any, to the Auditors and Audit Committee and take steps or purpose to take steps to rectify these deficiencies.
- f. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - i. Significant changes in Internal Control over financial reporting during the period; and
 - ii. Significant changes in Accounting Policies, the same have been disclosed in the notes to the financial statement;

For: Swarnsarita Gems Limited

Mahendra M Chordia
Chairman & Managing Director

Place: Mumbai

Date: 22nd May, 2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

SWARNSARITA GEMS LIMITED

We have examined the compliance of conditions of Corporate Governance by **SWARNSARITA GEMS LIMITED** for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure 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 abovementioned Listing Agreement.

We have to state that in respect of investors' grievances, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the shareholders/investor's Grievance Committee.

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

For: Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.: 112492W

Suresh Anchaliya
Partner
Membership No.: 044960

Place: Mumbai

Date: 22nd May, 2014

MANAGEMENT DISCUSSION

Industry Structure and Development:

The Gem & Jewellery Export Promotion Council (GJEPC) announced the annual performance for the Indian Gem & Jewellery sector for the FY2013-14, declaring a contribution of US\$ 34746.90 million to India's foreign exchange earnings, with a decline of 11 percent as compared to the last year figures. The financial year 2013-14 saw an increase of 12.65 percent in export of cut and polished diamonds with figures of US\$ 19635 million. The industry also saw an increase of 11.98 percent in imports of rough diamonds with figures of US\$ 16716 million indicating an increase in cutting, polishing and other manufacturing activities in India. The export of Gold jewellery & Gold medallions together for the period April 2013-14 was at US\$ 11045.92 million which shows a decline of 39.50 percent. This was mainly due to the non-availability of the gold limiting the extent of trade for many of the Indian players. The average price for exported gold was lower than previous year adding to the woes of the industry that took a hit and closed at a negative of 11 percent. The coloured gemstones export also dropped by 20.10 percent in this year with figures of US\$ 519 million. The Silver jewellery exports had a significant increase by 58.57 percent with figures of US\$ 1460 million. Key exporting destinations for Gems & Jewellery in 2013-14 were UAE with 35% of exports valued at US\$ 12195.34 followed by Hong Kong that stood at 28% with value of US\$ 9790.45 and USA at 14% with export value of US\$ 4948.92.

India has substantial reserves of gold, diamond, ruby and other gemstones. The gems and jewellery sector has been playing a very important role in the Indian economy and contributes about 6% to 7% to the country's gross domestic product (GDP), apart from large scale employment generations and foreign exchange earnings (FEE). In FY 2013-14, the Indian gems and jewellery sector contributed US\$ 34,746.90 million to India's FEE.

The two primary segments of the sector in India are gold jewellery and diamonds. India is the world's largest consumer of gold, accounting for over 20 per cent of the global gold consumption. The country is also the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. India exports 95 per cent of the world's diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). The industry is projected to generate up to US\$ 35 billion of revenue from exports by 2015.

The domestic gems and jewellery industry had a market size of Rs 251,000 crore (US\$ 41.61 billion) in 2013, with potential to touch Rs 500,000-530,000 crore (US\$ 82.94-87.93 billion) by 2018, according to a joint report by FICCI-AT Kearney titled 'All that glitters is Gold'.

Gold jewellery exports from India increased for a second straight month in March 2014 as raw material supply improved following the Reserve Bank of India's (RBI) ruling to allow more banks to import bullion, with industry analysts also saying that the positive trend will sustain. India shipped US\$ 992.03 million worth of gold jewellery in March, an increase of 6.1 per cent year-on-year (y-o-y), according to GJEPC. The country exported US\$ 718.36 million worth of jewellery in February, 2014.

A FICCI-Technopak report predicts that gems and jewellery exports will touch US\$ 58 billion by 2015. The report also estimates that the domestic market for gems and jewellery will reach US\$ 35-40 billion by 2015.

[Exchange Rate Used: INR 1= US\$ 0.0165 as on May 1, 2014]

Financial and Operating performances:

Your Company's total sales including other income for the financial year 2013-2014 is Rs. 172,33,29,597/- and Profit for the year is Rs 2,07,96,971/-.

Internal Control System and Adequacy:

There is internal Control System including internal audit in order to ensure efficient use of Company's resources to improve the profit margin of the Company through the effective control on stock and debtors. The Company has adequate internal control procedure commensurable with its size and nature of the business. The Internal Control system provides for well documented policies, guidelines, authorization and procedures. The prime objective is to test the adequacy and effectiveness of all internal controls and to suggest improvement therein. During the year under review, the internal Auditor has reviewed the accounting system and necessary modifications have been incorporated.

Opportunities and Threats:

(i) Opportunities:

The jewellery industry is growing at a whopping rate with the boom in the domestic and exports of Indian jewellery, the shining materials of India brings more sparkle to the economy. Gems and jewellery export stands the second major foreign exchange earner for the country. India has many natural advantages to emerge as Gems & Jewellery hub of the world. India has the largest and the best artisan force for designing and crafting the jewellery in the world. There is considerable scope of value addition in terms of capacity building at the domestic front, quality management and professionalism.

India is the world's largest manufacturing centre for gems and jewellery and the Industry contributes over 14% to the total export earnings of the country and employs highly skilled workers. The gems and jewellery industry is a major exchange exchequer as major portion (around 80%) of its turnover was contributed by exports. Diamonds contribute to nearly 80% of the entire turnover and of this industry and hence many times the terms 'gems and jewellery industry' and 'diamond industry' are used as synonyms.

(ii) Threats:

Although India currently enjoys dominance in the world's cut and polished diamonds market, China may emerge as a viable rival, if not in the near term, certainly in the longer term. An increasing number of diamond processors from Israel and Belgium, and even India, are setting up facilities in China for a variety of reasons, according to the report on the Indian gems and jewellery industry. The primary reasons for these are:

- (i) The labour force there, like in India, is cheap and disciplined.
- (ii) High economic growth in China over the past decade has resulted in a significant increase in potential consumers in the high - income segment within the country.
- (iii) Quality of workmanship and technological development (technical expertise) are the other areas where the Indian industry faces a threat from China.

Human Resources:

People are the most valued assets of the Company. They work individually and collectively contributing to the achievement of the objectives of the business. The relation between the employees and the Company remained cordial throughout the year. Your Company's corporate culture and the vision and values help unite the workforce and provide standards for how your Company conducts the business.

Risk Management:

Risk is an important element of corporate functioning and governance. Your Company has established the process of identifying, analyzing and treating risks, which could prevent the Company from effectively achieving its objectives. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process.

Future Outlook:

Commenting on the Financial results of the Gems & Jewellery Sector, Mr. Vipul Shah, Chairman of Gem & Jewellery Export Promotion Council said, ***"There has been a robust growth in the diamond sector. The market is bullish and the US and Europe markets have also improved. Although, there has been a decline by 11% in the overall performance, there are numerous opportunities for growth and improvement. We are looking at new ventures, new markets such as Middle East, Russia, China and various initiatives to promote the industry."***

Mr. Shah also said that, *"The outlook for 2014-15 looks positive in the overall gems & jewellery exports in the current fiscal. The MoU being signed with Russian diamond mining firm ALROSA to share trade and statistical data between the two countries will help in strengthening trade relations between the two countries. Some of our other initiatives for the year 2014-15 include the India - China Gemstones Buyer - Seller Meet in Jaipur, India – USA Buyer – Seller Meet to be hosted for the first time in Chicago,*

The 2nd edition of the global Gem & Jewellery fair in Dubai this November and many more."

On an optimistic Vice Chairman, Mr. Pankaj Parekh said, *"The prospects for 2014-15 looks bright for Jewellery, especially silver jewellery, as the 80- 20 scheme might get diluted, import duty is expected to be rationalized as the RBI has already allowed 4 more banks to operate in imported gold trading. There is also a huge demand in the international market, so we expect a boom in the silver jewellery exports with at least 10 % more exports compared to 2013-14."*

Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in the government regulations, tax laws, statutes and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

To the Members of

Swarnsarita Gems Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Swarnsarita Gems Limited**, ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's 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 notified under the Companies Act 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles accepted in India. 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 the 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 the 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 the 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company 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) 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Suresh Anchaliya & Co.**
Chartered Accountants
Firm Regn. No.:112492W

Place: Mumbai
Date: 22nd May, 2014

Suresh Anchaliya
Partner
Membership No.: 044960

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirement" of our report of even date]

In terms of information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

1. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2.
 - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventories. There was no material discrepancies noticed on physical verification of inventory.
3.
 - a) The Company has not taken any loans and advance from the parties covered in the register maintained u/s.301 of the Companies Act, 1956.
 - b) The Company has given interest free loan to its subsidiary company "Swarnsarita Realty Pvt Ltd". In respect of the said loan, the maximum amount outstanding at any time during the year was Rs.8,81,37,588 /- and the year end balance was Rs.8,81,37,588/-
 - c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the loans given by the Company, is not prima facie prejudicial to the interest of the Company.
 - d) The principal amount is repayable over a period of three to five years.
 - e) In respect of said loan there is no overdue amount.
4. In our opinion and according to the information and explanations given to us and as verified by us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls and found no continuous failure to correct the weakness.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956, in our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956, have been so entered where each of such transaction exceeding Rs. 500000/- with respect of each party. The transaction have been made at prices which are prima-facie reasonable

having regards to prevailing market prices at which similar transactions have been made with other parties as available with the Company.

6. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public u/s.58A and 58AA of the Companies Act, 1956.
7. In our opinion, the internal audit system of the Company is in commensurate with its size and nature of its business.
8. The Company has maintained Cost Records as prescribed under Section 209 (1) (d) of the Companies Act, 1956, for the product of the Company.
9. In respect of statutory dues :
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014, for a period of more than six months from the date of becoming payable.
 - b) There are no dues of Sales Tax, Income Tax, Service Tax, Custom Tax, Wealth Tax etc. which have not been deposited on account of any dispute.
10. The Company has no accumulated losses of more than fifty percent of its net worth and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In respect of investment in shares the Company has maintained proper records of the transaction and contracts and timely entries have been made their in. All shares and other investment are held by the Company in its own name.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any new term loans during the year and there is no loan outstanding at the beginning of the year.
17. According to the records examined and the information and explanation given to us on overall basis, funds raised for short term basis have prima-facie not been used during the year for long term investments.
18. During the year, the price at which the preferential allotments of shares to the parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956, are made is not prejudicial to the interest of the Company.
19. The Company has not raised any money by way of issue of debentures.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

For **Suresh Anchaliya & Co.**
Chartered Accountants
Firm Regn. No.: 112492W

(Suresh Anchaliya)
Partner
M. No.: 044960

Place: Mumbai
Dated: 22nd May, 2014

Balance Sheet as at 31st March, 2014

(Amount in ₹)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	208376000	208376000
Reserves and Surplus	2	548121372	527015900
Current Liabilities			
Short Term Borrowings	3	149050026	-
Trade Payables	4	295502899	93963916
Other Current Liabilities	5	1421662	1391621
Short-Term Provisions	6	5269692	16316280
TOTAL		1207741651	847063717
ASSETS			
Non-Current Assets			
Fixed Assets	7		
(i) Tangible Assets		3093777	3641277
(ii) Intangible Assets Under Development		36000	36000
Non - Current - Investment	8	100000000	100000000
Deferred Tax Assets	9	226182	189273
Current Assets			
Current Investments	10	7505201	5201
Inventories	11	407034426	380300468
Trade Receivables	12	447029843	145483408
Cash and Cash Equivalents	13	42248534	8595559
Short - Term Loans and Advances	14	199042332	208812531
Other Current Assets	15	1525356	-
TOTAL		1207741651	847063717

Significant Accounting Policies and Notes on
Financial Statement
As per our report of even date

1 to 24

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia
Rajendra M Chordia
Sunil Jain

Chairman & Managing Director
Executive Directors

Ashok Surana
Sunderlal L. Bothra
Vishal R. Nolkha
(Appointed on 29/03/2014)

Directors

Statement of Profit and Loss for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note	2013-14	2012-13
Income			
Revenue from Operations	16	1702844645	1568673389
Other Income	17	15481010	12380609
Total Revenue		1718325655	1581053998
Expenditure			
Cost of Materials Consumed and Purchases	18	1750089094	1810110620
Changes in Inventories of Finished Goods and stock - in - trade	19	(82801365)	(264377652)
Employee Benefit Expense	20	5736500	4837807
Financial Costs	21	8074204	-
Depreciation and Amortization Expenses		671181	591152
Other Administrative Expenses	22	10217785	9192082
Total Expenses		1691987399	1560354008
Profit Before Exceptional Items and Tax		26338255	20699990
Exceptional Items	23	-	(188567)
Profit Before Tax		26338255	20511423
Tax Expenses:			
(1) Current Tax		5269692	4103874
(2) Tax for Earlier Period		-	257976
(3) Deferred Tax		(36909)	48613
Profit/(Loss) For The Period		21105472	16100961
Earning Per Equity Share:			
(1) Basic		1.01	0.80
(2) Diluted		1.01	0.80

Significant Accounting Policies and Notes on Financial Statement 1 to 24

As per our report of even date

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia
Rajendra M Chordia
Sunil Jain

Chairman & Managing Director
Executive Directors

Ashok Surana
Sunderlal L. Bothra
Vishal R. Nolkha
(Appointed on 29/03/2014)

Directors

Cash Flow Statement for the year ended 31st March, 2014

PARTICULARS	(Amount in ₹)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax And Extraordinary Items	26338255	20511423
Adjustment for :		
Depreciation	671181	591152
Interest (Net)	(23465356)	(12349846)
Loss on Sale of Car	-	188567
Operating Profit Before Working Capital And Receivables	3544080	8941296
Adjustment for :		
(Increase) / Decrease in Trade and Other Receivables	(301546435)	180926098
(Increase) / Decrease in Inventories	(26733958)	(47177477)
(Increase)/Decrease in Other Current Assets	8244843	-
Increase / (Decrease) in Trade Payables and other liabilities	190522436	(152065192)
Cash Generated From Operations	(125969034)	(9375275)
Income Tax Paid	5269692	5460514
Cash Flow Before Extra-Ordinary Items	(131238726)	(14835789)
Extra-Ordinary Items	-	-
Net Cash From Operating Activities	(a) (131238726)	(14835789)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	77278150
Purchase of Fixed Asse	(123681)	(2464033)
Purchase/Sale of Investments	(7500000)	(30000000)
Interest Received	15391152	12349846
Net Cash Used In Investment Activities	(b) 7767471	57163963
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	8074204	-
Proceeds from issue of Share Capital	-	18972000
Money Received against Share Warrant	-	(4743000)
Short Term Borrowing and others	149050026	(49728080)
Dividend Paid/Adjustment	-	(11539250)
Net Cash Used In Financing Activities	(c) 157124230	(47038330)
Net Increase In Cash And Cash Equivalents (a) + (b) + (c)	33652975	(4710156)
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	8595559	13305715
Cash And Cash Equivalents As At The End of the Year	42248534	8595559
Net Increase / (Decrease) As Disclosed Above	33652975	(4710156)
Note : All figures in brackets are outflows		
As per our report of even date		

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia
Rajendra M Chordia
Sunil Jain

Chairman & Managing Director
Executive Directors

Ashok Surana
Sunderlal L. Bothra
Vishal R. Nolkha
(Appointed on 29/03/2014)

Directors

Notes to Financial Statement for the Year ended 31st March, 2014

Note No. 1

SHAREHOLDER'S FUND

EQUITY SHARE CAPITAL

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
a) Authorised Share:		
2,20,00,000 Equity Shares of Rs. 10/- each	<u>220000000</u>	<u>220000000</u>
b) Issued, Subscribed and Paid up:		
2,08,76,800 Equity Shares of Rs. 10/- each Fully Paid-Up	208768000	208768000
Less : Call Money Due on Equity Shares	392000	392000
Total	<u>208376000</u>	<u>208376000</u>
c) Reconciliation of the Number of Equity Shares Outstanding at the beginning and at the end of the reporting period		
Particulars		
Outstanding at the Beginning of the Reporting Year	20876800	19856800
Add: Issued During the year	-	1020000
Outstanding at the End of the Reporting Year	<u>20876800</u>	<u>20876800</u>
d) Terms / Right Attached to Equity Shares		
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in the number of equity shares held by the shareholders at the time of liquidation		
e) Details of Shareholders holding more than 5% share in the Company		
Equity Shares Fully Paid at Rs. 10/- each		

S.No.	Name	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	7128761	34.15	7128761	34.15
2	Grace United Real Estate Pvt. Ltd.	1115178	5.34	-	-

Note No. 2

RESERVE AND SURPLUS

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Particulars		
a) Capital Reserve		
Balance as per Last Financial Statement	6750000	6750000
Closing Balance	<u>6750000</u>	<u>6750000</u>
b) Securities Premium Reserve		
Balance as per Last Financial Statement	136810040	128038040
Add: On issue of Equity Shares	-	8772000
Closing Balance	<u>136810040</u>	<u>136810040</u>
c) General Reserve		
Balance as per Last Financial Statement	4946190	4946190
Closing Balance	<u>4946190</u>	<u>4946190</u>
d) Surplus / (deficit) in the Statement of Profit and Loss	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Balance as per Last Financial Statement	378509670	374621331
Add: Profit for the Year	21105472	16100960
Less: Proposed Dividend on Equity Shares at Rs. 0.50 per share	-	10438400
Tax on Proposed Dividend	-	1774006
Appropriations for dividend rounding off	-	215
Net Surplus / (Deficit) in the Statement of Profit and Loss	<u>399615142</u>	<u>378509670</u>
Total Reserve and Surplus	<u>548121372</u>	<u>527015900</u>

Note No. 3

As at 31.03.2014

As at 31.03.2013

Short Term Borrowings

Secured

Union Bank of India (CC A/c)

149050026

-

149050026

-

The Cash Credit facility from the Union Bank of India is secured by hypothecation charge of entire current assets of the company, collaterally secured by the equitable mortgage of property of directors, personal guarantee given by the directors of the Company and Corporate guarantee of Swarnsarita Realty Private Limited and Swarnsarita Jewellers Private Limited

Note No. 4

Trade Payables

Micro, Small and Medium Enterprises

-

-

Others

295502899

93963916

295502899

93963916

Note No. 5

Other Current Liability

Other Payables

1421662

1391621

1421662

1391621

Note: - Other Payables include Statutory Dues and Payable for Expenses

Note No. 6

Short - Term Provision

Provision for Income Tax

5269692

4103874

Provision for Proposed Dividend

-

10438400

Provision for Tax on Proposed Dividend

-

1774006

5269692

16316280

Note No. 7

FIXED ASSETS

(Amount in 'Rs.)

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 01.04.2013	Addition during the year	Deduction During the Year	As On 31.03.2014	As On 01.04.2013	Depreciation during the year	Depreciation Adjustments	Total As On 31.03.2014	As On 31.03.2014	As On 01.04.2013
	Tangible Assets										
1	Mettler Balances	271392	28711	-	300103	163651	12906	-	176557	123546	107741
2	Motor Cars	6147993	-	-	6147993	3023600	584059	-	3607659	2540334	3124393
3	Office Equipments	126184	68650	-	194834	61093	7347	-	68441	126393	65091
4	Computers	406975	26320	-	433295	62922	66868	-	129791	303504	344053
5	Furniture & Fixtures	32972	-	-	32972	32972	-	-	32972	-	-
	Sub-Total	6985516	123681	-	7109197	3344239	671181	-	4015420	3093777	3641277
	Previous year total	82105972	2464033	77584489	6985516	2870859	591152	117772	3344239	3641277	79235113
	Intangible Assets Under Development									36000	36000

	<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>	
Note No. 8				
Non - Current Investment				
<u>Investment in Equity Shares of Subsidiary Company</u>	No. of Shares	Amount	No. of Shares	Amount
<u>Un - Quoted, Fully Paid Up</u>				
Swarnsarita Realty Pvt Ltd	10000000	100000000	10000000	100000000
		<u>100000000</u>		<u>100000000</u>
Note No. 9				
Deferred Tax Assets				
Related to Fixed Assets			226182	189273
			<u>226182</u>	<u>189273</u>
Note No. 10				
Current Investment				
Investment in Equity Shares (Quoted, Fully Paid Up)	No. of Shares	Amount	No. of Shares	Amount
SJ Corporation Limited of Rs. 1 each	400	5201	400	5201
Investment in Mutual Fund				
Union KBC Mutual Fund A/c		7500000		-
		<u>7505201</u>		<u>5201</u>
Market value of quoted shares		25200		28320
		<u>As at 31.03.2014</u>		<u>As at 31.03.2013</u>
Note No. 11				
Inventories				
Raw Materials		15290845		71358252
Finished Goods		391743581		308942216
		<u>407034426</u>		<u>380300468</u>
Note No. 12				
Trade Receivables				
For period exceeding 6 months		7804076		447589
For period upto 6 months		439225767		145035819
		<u>447029843</u>		<u>145483408</u>
Note No. 13				
Cash and Cash Equivalent				
Balances with Banks		41702563		8089661
Cash on hand		545971		505898
		<u>42248534</u>		<u>8595559</u>
Note No. 14				
Short Term Loans and Advances				
<u>(Unsecured and Considered Good)</u>				
Security Deposits		170315		147315
Direct Tax Refundable		1405496		172557
Advance Income Tax		4194359		5202538
Indirect Tax Refundable		2259857		2081088
Other amount recoverable in cash or kind *		191012306		201209033
		<u>199042332</u>		<u>208812531</u>

*Other amount recoverable include advances to creditors, wholly owned subsidiary company and others parties

Note No. 15

Other Current Assets

Job Work Charges Receivable

As at 31.03.2014

As at 31.03.2013

1525356	-
1525356	-

Note No. 16

Revenue From Operation

Sale of Goods

Labour Charges Received

Less: Excise Duty/VAT/Service Tax

1690341798	1554344359
12502847	14329030
-	-
1702844645	1568673389

Note No. 17

Other Income

Interest Income

Miscellaneous Income

15391152	12349846
89858	30763
15481010	12380609

As at 31.03.2014

As at 31.03.2013

Note No. 18

Cost of Material Consumed

Particulars

Purchase of Goods

Labour Charges

Add:- Opening Stock

Raw Material

1643221307	1553636784
50800380	39273661
71358252	288558427
1765379939	1881468872

Less:- Closing Stock

Raw Material

Raw Material Consumed

15290845	71358252
1750089094	1810110620

Note No. 19

(Increase)/Decrease in Inventory

Opening Balance of Inventory

Less: Closing Balance of Inventory

308942216	44564564
(391743581)	(308942216)
(82801365)	(264377652)

Note No. 20

Employees Benefit Expenses

Salaries and Wages

5736500	4837807
5736500	4837807

Note No. 21

Finance Cost

Interest Expenses

8074204	-
8074204	-

Note No. 22

Other Expenses

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Administrative Expenses	19583	16999
Advertisement Expenses	1045033	1821305
Auditor's Remuneration	449440	463485
Bank Charges	80820	36058
Motor Car Expenses	18280	56940
Commission on sales	-	421795
Computer Repair & Maintenance	104800	73875
Connectivity Expenses	104148	95407
Conveyance Expenses	34350	49250
Credit Rating Fees	-	61798
Designing Expense	-	460308
Donation	2000	-
Electricity Expenses	153088	235226
Franking Charges	665110	18238
Freight Charges	945133	356944
Insurance Expenses	427828	250118

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Interest for Late Payment(TDS)	8100	-
Interest on Income Tax	11577	-
IGI Certification	151785	277022
Listing Fees	67416	112360
Maintenance Charges	15308	-
Miscellaneous Expenditure	86776	114036
Membership Fees	110113	331776
Office Expenses	91092	72153
Other Charges	1997	-
Postage Expenses	84740	118166
Printing & Stationery	204446	256920
Processing Fee on CC	1472660	-
Professional Fees	478290	391344
Rent	2600000	2400000
Director's Sitting Fees	-	10000
Sundry Expenses	102279	-
Provision For Proposed Dividend	196	-
Telephone Expenses	169418	197313
Travelling Expenses	511978	493245
	<u>10217785</u>	<u>9192082</u>

Note No. 23

Exceptional Item

Profit/Loss on Sale of Fixed Assets (Net)	-	(188567)
	-	(188567)

Note No. 24:
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENT
A. SIGNIFICANT ACCOUNTING POLICIES
1. Basis of Preparation of Financial Statement :-

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles and provision of the Companies Act, 1956 as adopted consistently by the Company.

2. Use of Estimates:-

The preparation of financial statement requires the management of the Company to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statement of and reported amounts of income and expenses during the period. Examples of such estimate includes provision for doubtful debts, future obligation, employees retirement benefit plans, provision for income taxes, useful lives of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred and the amount can be reasonably estimated. Actual results may differ from such estimates.

3. Fixed Assets:-

All fixed assets are valued at cost (including adjustment on revaluation) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties and other incidental expenses incurred during construction period and exclusive of cenvat credit availed thereon.

4. Depreciation:-

Depreciation on Fixed Assets is provided on Straight Line Method in accordance with the rate specified in the Schedule XIV of the Companies Act, 1956 on pro-rata basis.

5. Inventories:-

- a. Finished Goods : -
 - i. Gold and Diamond Jewellery is valued at cost on weighted average method
 - ii. Other goods are valued at cost or net realizable value whichever is lower.
- b. Raw Materials: -
 - i. Gold and other precious metal is valued at weighted average method
 - ii. Loose diamonds are valued at weighted average cost method

6. Provision for Current and Deferred Tax:-

Provision for current tax made after taking into consideration benefits admissible under the provisions of the Income-Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

7. Revenue Recognition:-

In appropriate circumstance, revenue is recognized when no significant uncertainty as to determination or realisation exists. Turnover includes sale of goods net of VAT and sales tax.

8. Investment:-

Current Investment is valued at Cost or Market value whichever lower, computed category wise. Long Term Investment are stated at cost. Provision of diminution in the value of long term investment is made only if the such a decline is other than temporary.

9. Contingent Liability:-

These are disclosed by way of notes on the Balance Sheet date. Provision is made wherever applicable for those contingencies which are likely to materialise into liabilities after the year end till the finalization of accounts and have material effect on the position stated in Balance Sheet.

10. Impairment:-

At each Balance Sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of assets net selling price and value in use. In assessing value in use, the estimated future cash flow expected from the continuing use of the assets and from its disposal is discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the assets. Reversal of impairment loss is recognized immediately

as income in the Profit and Loss Statement.

11. Earning Per Share:-

The earning considered in ascertaining EPS comprise the Net Profit after Tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

(B) NOTES ON ACCOUNTS: -

(In Rs.)

1. Previous year figures have been regrouped, reworked, rearranged and reclassified whenever necessary.

	As At 31st March, 2014	As At 31st March, 2013
2. Contingent Liabilities	NIL	NIL
3. Estimated amount of contract remaining to be executed on Capital Account and not provided for the year	NIL	NIL
4. Amount Outstanding to SSI Units	NIL	NIL
5. Payments to Auditors:-		
(i) Audit Fees	300000	300000
(ii) Tax Audit Fees	90000	100000
(iii) Certification and Taxation Matters	10000	12500
(iv) Service Tax	<u>49440</u>	<u>50985</u>
	<u>449440</u>	<u>463485</u>

6. Deferred Tax:-

The Company has accounted for Deferred Taxation in respect of timing differences in accordance with the requirement of Accounting Standard 22 "Accounting for Taxes on Income". The Deferred Tax liability comprises the followings :

Deferred Tax Assets	Current Year	Previous Year
On account of fixed assets	226182	189273

7. Segment Reporting:-

The Company has been operating significantly in a single segment of Jewellery.

8. There are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006."
9. During the year the company has not been made any investment.

10. Related Party Disclosure as per AS 18 (As identified by the Management) :

(i) Related Party Relationship

(a) Where Control Existed	1) Swarnsarita Realty Pvt Ltd
(b) Key Management Personnel	1) Shri Mahendra M. Chordia
	2) Shri Sunil Jain
	3) Shri Rajendra M. Chordia
(c) Relatives of Key Management Personnel (Whom Transaction have taken place)	1) Swarnsarita Jewellers
	2) Asha M. Chordia
(d) Other Related Parties (Whom Transaction have taken place)	1) Swarnsarita Jewellers Private Limited
	2) Sunny Chordia

(ii) Transaction with Related Parties :

(In Rs.)

Type of Related Party	Description of the Transaction	Volume of Transaction	
		2013-14	2012-13
(a) Where Control Exists	(a) Loan made	88137588/-	78860000/-
(b) Key Management Personnel			
	(a) Total Loans / Advances Paid	-	-
	(b) Total Loans / Advances Recd.	-	-
	(c) Directors Remuneration	1980000/-	1260000/-
	(d) Rent Paid	1800000/-	1200000/-
(c) Relatives of Key Management Personnel	(a) Total Loans / Advances Paid	-	-
	(b) Total Loans / Advances Recd.	-	-
	(c) Rent Paid	600000/-	1200000/-
(d) Other Related Parties	(a) Purchases/Sale of Goods --	-	1537273/-
	(b) Salary	303000/-	-

11. Earning Per Share:-

The Earning Per Share has been computed by dividing the profit after tax by number of Equity Shares outstanding.

	<u>Current Year</u>	<u>Previous Year</u>
(a) Net profit available for Equity Shareholders (Numerator used for calculation)	21105472	16100961
(b) Weighted Average number of equity shares used as denominator for calculating EPS	20876800	20030060
(c) Basic and Diluted Earnings per share of Rs.10 each :	1.01	0.80

12 a.) Value of Imports on CIF basis

Traded Goods NIL NIL

b.) Amount remitted during the year in foreign currency on account of :-

Dividend NIL NIL
Travelling NIL NIL
Purchase of Goods NIL NIL

c.) Earning in foreign exchange

Export of goods on FOB basis NIL NIL

13. Outstanding Balance of Debtors, Creditors and Others are subject to confirmation.

For Suresh Anchaliya & Co.

Chartered Accountants

Firm Regn. No.- 112492W

Suresh Anchaliya

Partner

Membership No. 044960

Place: Mumbai

Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia

Rajendra M Chordia

Sunil Jain

Ashok Surana

Sunderlal L. Bothra

Vishal R. Nolkha

(Appointed on 29/03/2014)

Chairman & Managing Director

Executive Directors

Directors

INDEPENDENT AUDITOR'S REPORT

To the Members of

Swarnsarita Gems Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Swarnsarita Gems Limited**, ("the Company") which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 the 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 the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

OTHER MATTER

The financial statement of subsidiary company has been audited by us.

For **Suresh Anchaliya & Co.**
Chartered Accountants
Firm Regn. No.:112492W

Suresh Anchaliya
Partner
Membership
No.: 044960

Place: Mumbai
Date: 22nd May, 2014

Consolidated Balance Sheet as at 31st March, 2014

(Amount In ₹)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	208376000	208376000
Reserves and Surplus	2	547596712	526799741
Minority Interest		-	-
Current Liabilities			
Short Term Borrowings	3	150400026	-
Trade Payables	4	295502899	93963916
Other Current Liabilities	5	2208372	1460211
Short-Term Provisions	6	5269692	16316280
TOTAL		1209353701	846916148
ASSETS			
Non-Current Assets			
Fixed Assets	7		
(i) Tangible Assets		3093777	3641277
(ii) Intangible Assets Under Development		36000	36000
Non - Current - Investment	8	-	-
Deferred Tax Assets	9	226182	189273
Current Assets			
Current Investments	10	7505201	5201
Inventories	11	436158186	408344468
Trade Receivables	12	447029843	145483408
Cash and Cash Equivalents	13	42248890	8708790
Short - Term Loans and Advances	14	271038686	279852291
Other Current Assets	15	2016936	655440
TOTAL		1209353701	846916148

Significant Accounting Policies and Notes on Financial Statement 1 to 24
As per our report of even date

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia
Rajendra M Chordia
Sunil Jain

Chairman & Managing Director
Executive Directors

Ashok Surana
Sunderlal L. Bothra
Vishal R. Nolkha
(Appointed on 29/03/2014)

Directors

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(Amount In ₹)

Particulars	Note	2013-14	2012-13
Income			
Revenue from Operations	16	1702844645	1568673389
Other Income	17	20484952	12380609
Total Revenue		1723329597	1581053998
Expenditure			
Cost of Materials Consumed and Purchases	18	1751168854	1838154620
Changes in Inventories of Finished Goods and stock - in - trade	19	(83881125)	(-292421652)
Employee Benefit Expense	20	5736500	4837807
Financial Costs	21	13160412	-
Depreciation and Amortization Expenses		835041	755012
Other Administrative Expenses	22	10280160	9244381
Total Expenses		1697299842	1560570168
Profit Before Exceptional Items and Tax		26029754	20483830
Exceptional Items	23	-	(188567)
Profit Before Tax		26029754	20295263
<u>Tax Expenses:</u>			
(1) Current Tax		5269692	4103874
(2) Tax for Earlier Period		-	257976
(3) Deferred Tax		(36909)	48613
Profit/(Loss) For The Period		20796971	15884801
Earning Per Equity Share:			
(1) Basic		1.00	0.79
(2) Diluted		1.00	0.79

Significant Accounting Policies and Notes on Financial Statement

1 to 24

As per our report of even date

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia
Rajendra M Chordia
Sunil Jain

Chairman & Managing Director
Executive Directors

Ashok Surana
Sunderlal L. Bothra
Vishal R. Nolkha
(Appointed on 29/03/2014)

Directors

Consolidated Cash Flow Statement for the year ended 31st March, 2014

PARTICULARS	(Amount In ₹)	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax And Extraordinary Items	26029754	20295263
Adjustment for :		
Depreciation	671181	591152
Interest (Net)	(33555506)	(12349846)
Loss on Sale of Car	-	188567
Operating Profit Before Working Capital And Receivables	(6854571)	8725136
Adjustment for :		
(Increase) / Decrease in Trade and Other Receivables	(301546435)	180270658
(Increase) / Decrease in Inventories	(27813718)	(75221477)
(Increase)/Decrease in Other Current Assets	7452109	-
Increase / (Decrease) in Trade Payables and other liabilities	191240556	(151996602)
Cash Generated From Operations	(137522059)	(38222285)
Income Tax Paid	5269692	5460514
Cash Flow Before Extra-Ordinary Items	(142791751)	(43682799)
Extra-Ordinary Items	-	-
Net Cash From Operating Activities	(a) (142791751)	(43682799)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	77278150
Purchase of Fixed Assets	(123681)	(2464033)
Purchase/Sale of Investments	(7500000)	70000000
Interest Received	20395094	12349846
Net Cash Used In Investment Activities	(b) 12771413	157163963
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	13160412	-
Proceeds from issue of Share Capital	-	18972000
Money Received against Share Warrant	-	(4743000)
Short Term Borrowing and others	150400026	(120767840)
Dividend Paid/Adjustment	-	(11539250)
Net Cash Used In Financing Activities	(c) 163560438	(118078090)
Net Increase In Cash And Cash Equivalents (a) + (b) + (c)	33540100	(4596925)
Cash And Cash Equivalents As At The Commencement of the Year (Opening Balance)	8708790	13305715
Cash And Cash Equivalents As At The End of the Year	42248890	8708790
Net Increase / (Decrease) As Disclosed Above	33540100	(4596925)
Note : All figures in brackets are outflows		

For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia	}	Chairman & Managing Director
Rajendra M Chordia		Executive Directors
Sunil Jain		
Ashok Surana	}	Directors
Sunderlal L. Bothra		
Vishal R. Nolkha		
(Appointed on 29/03/2014)		

Notes on Consolidated Financial Statement for the Year ended 31st March, 2014

Note No. 1

SHAREHOLDER'S FUND

EQUITY SHARE CAPITAL

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
a) Authorised Share:		
2,20,00,000 Equity Shares of Rs. 10/- each	<u>220000000</u>	<u>220000000</u>
b) Issued, Subscribed and Paid-up:		
2,08,76,800 Equity Shares of Rs. 10/- each Fully Paid-Up	208768000	208768000
Less : Call Money Due on Equity Shares	392000	392000
Total	<u>208376000</u>	<u>208376000</u>
c) Reconciliation of the Number of Equity Shares Outstanding at the beginning and at the end of the reporting period		
Particulars		
Outstanding at the Beginning of the Reporting Year	20876800	19856800
Add: Issued During the year	-	1020000
Outstanding at the End of the Reporting Year	<u>20876800</u>	<u>20876800</u>
d) Terms / Right Attached to Equity Shares		
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in the number of equity shares held by the shareholders at the time of liquidation		
e) Details of Shareholders holding more than 5% share in the Company		
Equity Shares Fully Paid at Rs. 10/- each		

S. No.	Name	<u>As at 31st March, 2014</u>		<u>As at 31st March, 2013</u>	
		No. of Shares	% of Holding	No. of Shares	% of Holding
1	Swarnsarita Jewellers Pvt. Ltd.	7128761	34.15	7128761	34.15
2	Grace United Real Estate Pvt. Ltd.	1115178	5.34	-	-

Note No. 2

RESERVE AND SURPLUS

Particulars	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
a) Capital Reserve		
Balance as per Last Financial Statement	6750000	6750000
Closing Balance	<u>6750000</u>	<u>6750000</u>
b) Securities Premium Reserve		
Balance as per Last Financial Statement	136810040	128038040
Add: On issue of Equity Shares	-	8772000
Closing Balance	<u>136810040</u>	<u>136810040</u>

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
c) General Reserve		
Balance as per Last Financial Statement	4946190	4946190
Closing Balance	<u>4946190</u>	<u>4946190</u>
d) Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	378293511	374621331
Add: Profit for the Year	20796971	15884801
Less: Proposed Dividend on Equity Shares at Rs. 0.50 per share	-	10438400
Tax on Proposed Dividend	-	1774006
Appropriations for dividend rounding off	-	215
Net Surplus / (Deficit) in the Statement of Profit and Loss	<u>399090482</u>	<u>378293511</u>
Total Reserve and Surplus	<u>547596712</u>	<u>526799741</u>

Note No. 3

Short Term Borrowings

Secured

Union Bank of India (CC A/c) 149050026 -

(Unsecured, But Considered Good)

Smart Link Realty Pvt. Ltd. 1350000 -

150400026 -

The Cash Credit facility from the Union Bank of India is secured by hypothecation charge of entire current assets of the Company, collaterally secured by the equitable mortgage of property of directors, personal guarantee given by the directors of the Company and Corporate guarantee of Swarnsarita Realty Private Limited and Swarnsarita Jewellers Private Limited

Note No. 4

Trade Payables

Micro, Small and Medium Enterprises - -

Others 295502899 93963916

295502899 **93963916**

Note No. 5

Other Current Liability

Other Payables 2208372 1460211

2208372 **1460211**

Note: - Other Payables include Statutory Dues and Payable for Expenses

Note No. 6

Short - Term Provision

Provision for Income Tax 5269692 4103874

Provision for Proposed Dividend - 10438400

Provision for Tax on Proposed Dividend - 1774006

5269692 **16316280**

Note No. 7 - FIXED ASSETS

(Amount in 'Rs.)

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As On 01.04.2013	Addition during the year	Deduction During the Year	As On 31.03.2014	As On 01.04.2013	Depreciation during the year	Depreciation Adjustments	Total As On 31.03.2014	As On 31.03.2014	As On 01.04.2013
	Tangible Assets										
1	Mettler Balances	271392	28711	-	300103	163651	12906	-	176557	123546	107741
2	Motor Cars	6147993	-	-	6147993	3023600	584059	-	3607659	2540334	3124393
3	Office Equipments	126184	68650	-	194834	61093	7347	-	68441	126393	65091
4	Computers	406975	26320	-	433295	62922	66868	-	129791	303504	344053
5	Furniture & Fixtures	32972	-	-	32972	32972	-	-	32972	-	-
	Sub-Total	6985516	123681	-	7109197	3344239	671181	-	4015420	3093777	3641277
	Previous year total	82105972	2464033	77584489	6985516	2870859	591152	117772	3344239	3641277	79235113
	Intangible Assets Under Development									36000	36000

As at 31.03.2014

As at 31.03.2013

Note No. 8

No. of Shares Amount No. of Shares Amount

Non - Current Investment

Investment in Equity Shares (Un - Quoted, Fully Paid-Up)

Swarnsarita Realty Pvt Ltd	10000000	-	10000000	-
		-		-

Note No. 9

Deferred Tax Assets

Related to Fixed Assets	226182	189273
	226182	189273

Note No. 10

Current Investment

Investment in Equity Shares (Quoted, Fully Paid-Up) **No. of Shares Amount No. of Shares Amount**

SJ Corporation Limited of Rs. 1 each	400	5201	400	5201
--------------------------------------	-----	------	-----	------

Investment in Mutual Fund

Union KBC Mutual Fund A/c	7500000	-
	7505201	5201
Market value of quoted shares	25200	28320

As at 31.03.2014

As at 31.03.2013

Note No. 11

Inventories

Raw Materials	15290845	71358252
Finished Goods	420867341	336986216
	436158186	408344468

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Note No. 12		
Trade Receivables		
For period exceeding 6 months	7804076	447589
For period upto 6 months	439225767	145035819
	<u>447029843</u>	<u>145483408</u>
Note No. 13		
Cash and Cash Equivalent		
Balances with Banks	41702919	8202892
Cash on hand	545971	505898
	<u>42248890</u>	<u>8708790</u>
Note No. 14		
Short Term Loans and Advances		
(Unsecured and Considered Good)		
Security Deposits	170315	147315
Direct Tax Refundable	1405496	172557
Advance Income Tax	4194359	5202538
Indirect Tax Refundable	2259857	2081088
Other amount recoverable in cash or kind *	263008660	272248793
	<u>271038686</u>	<u>279852291</u>
*Other amount recoverable include advances to creditors and others parties		
Note No. 15		
Other Current Assets		
Preliminary Expenses	491580	655440
Job Work Charges Receivable	1525356	-
	<u>2016936</u>	<u>655440</u>
Note No. 16		
Revenue From Operation		
Sale of Goods	1690341798	1554344359
Labour Charges Received	12502847	14329030
Less: Excise Duty/VAT/Service Tax	-	-
	<u>1702844645</u>	<u>1568673389</u>
Note No. 17		
Other Income		
Interest Income	20395094	12349846
Miscellaneous Income	89858	30763
	<u>20484952</u>	<u>12380609</u>

	<u>31st March, 2014</u>	<u>31st March, 2013</u>
Note No. 18		
Cost of Material Consumed		
Particulars		
Purchase of Goods	1644301067	1581680784
Labour Charges	50800380	39273661
Add:- Opening Stock		
Raw Material	71358252	288558427
	1766459699	1909512872
Less:- Closing Stock		
Raw Material	15290845	71358252
Raw Material Consumed	1751168854	1838154620
Note No. 19		
(Increase)/Decrease in Inventory		
Opening Balance of Inventory	336986216	44564564
Less: Closing Balance of Inventory	(420867341)	(336986216)
	(83881125)	(292421652)
Note No. 20		
Employees Benefit Expenses		
Salaries and Wages	5736500	4837807
	5736500	4837807
Note No. 21		
Finance Cost		
Interest Expenses	13160412	-
	13160412	-
Note No. 22		
Other Expenses		
Administrative Expenses	19583	16999
Advertisement Expenses	1045033	1838514
Auditor's Remuneration	477530	491575
Bank Charges	82505	36058
Motor Car Expenses	18280	56940
Commission on sales	-	421795
Computer Repair & Maintenance	104800	73875
Connectivity Expenses	104148	95407
Conveyance Expenses	34350	49250

	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
Credit Rating Fees	-	61798
Designing Expense	-	460308
Donation	2000	-
Electricity Expenses	153088	235226
Franking Charges	665110	18238
Freight Charges	945133	356944
Insurance Expenses	427828	250118
Interest for Late Payment	8100	-
Interest on Income Tax	11577	-
IGI Certification	151785	277022
Listing Fees	67416	112360
Maintenance Charges	15308	-
Miscellaneous Expenditure	86776	114036
Membership Fees	110113	331776
Office Expenses	91092	72153
Other Charges	1997	-
Postage Expenses	84740	118166
Printing & Stationery	204446	256920
Processing Fee on CC	1472660	-
Professional Fees	508290	398344
Rent	2600000	2400000
ROC Filing Fees	2600	-
Director's Sitting Fees	-	10000
Sundry Expenses	102279	-
Provision for Proposed Dividend	196	-
Telephone Expenses	169418	197313
Travelling Expenses	511978	493245
	<u>10280160</u>	<u>9244381</u>

Note No. 23

Exceptional Item

Profit/Loss on Sale of Fixed Assets (Net)	-	(188567)
	<u>-</u>	<u>(188567)</u>

Note No. 24:

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENT

A. Principal of Consolidation

The consolidated financial statement relate to Swarnsarita Gems Limited ('the company') and its subsidiary company ('Swarnsarita Realty Pvt Ltd'). The consolidated financial statement have been prepared on the following basis:

- The financial statement of the company and its subsidiary company are combined on line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statement"
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statement as goodwill or capital reserve as the case may be.
- The Company is holding 100% equity share capital of the subsidiary company hence no minority interest in the net profit and net assets of the consolidated subsidiary is identified.
- As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transaction and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

B. Investment other than subsidiary have been accounted as per Accounting Standard (AS) 13 on – "Accounting for Investments"

C. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

(B) NOTES ON ACCOUNTS: -

(In Rs.)

- Previous year figures have been regrouped, reworked, rearranged and reclassified whenever necessary.

	As At 31st March, 2014	As At 31st March, 2013
2. Contingent Liabilities	NIL	NIL
3. Estimated amount of contract remaining to be executed on Capital Account and not provided for the year	NIL	NIL
4. Amount Outstanding to SSI Units	NIL	NIL
5. Payments to Auditors:-		
(i) Audit Fees	325000	325000
(ii) Tax Audit Fees	90000	100000
(iii) Certification and Taxation Matters	10000	12500
(iv) Service Tax	<u>52530</u>	<u>54075</u>
	<u>477530</u>	<u>491575</u>

6. Deferred Tax:-

The Company has accounted for Deferred Taxation in respect of timing differences in accordance with the requirement of Accounting Standard 22 "Accounting for Taxes on Income". The Deferred Tax liability comprises the followings :

Deferred Tax Assets	<u>Current Year</u>	<u>Previous Year</u>
On account of fixed assets	226182	189273

7. Segment Reporting:-

The Company has identified two reportable segment viz. Jewellery and Real Estate. Segment have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting system. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

- Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment.
- Segment assets and liabilities represent assets and liabilities in respective segment.

(i) Primary Segment Information:

(Rs. In Lakhs)

	Particulars	Jewellery		Real Estate	
		2013-14	2012-13	2013-14	2012-13
1	Segment Revenue				
	External Turnover	17028.45	15686.73	-	-
	Inter Segment Turnover	-	-	-	-
	Gross Turnover	17028.45	15686.73	-	-
	Less: Excise Duty/Service Tax	-	-	-	-
2	Segment Result Before Interest and Taxes	190.21	83.50	(2.26)	(2.16)
	Less: Interest Expenses	80.74	-	50.86	-
	Add: Interest Income	153.91	123.50	50.04	-
	Add: Exceptional item	-	(1.89)	-	-
	Profit Before Tax	263.38	205.11	(3.08)	(2.16)
	Current Tax	52.70	41.04	-	-
	Earlier Tax	-	2.58	-	-
	Deferred Tax	(0.37)	0.48	-	-
	Profit After Tax	211.05	161.01	(3.08)	(2.16)
3	Other Information				
	Segment Assets	12077.42	8470.63	1897.50	1787.12
	Segment Liabilities	4512.44	1116.72	902.74	789.29
	Capital Expenditure	-	-	-	-
	Depreciation and Amortisation	6.71	5.91	1.64	1.64
	Non-Cash Expenses other than Depreciation and Amortisation	-	-	-	-

(ii) The company has reported segment information on consolidated basis including business conducted through its subsidiary, as per Accounting Standard on Segment Reporting (AS -17).

8. The Subsidiary company "M/s Swarnsarita Realty Pvt Ltd." considered in the consolidated financial statement is wholly owned subsidiary company.

9. Financial information of subsidiary company

Sr. no.	Particulars	
1	Name of Subsidiary Company	Swarnsarita Realty Pvt Ltd
2	Reporting Currency	INR
3	Capital	100000000
4	Reserve	(524660)
5	Total Assets	189749638
6	Investment	-
7	Turnover/Total Income	-
8	Profit Before Taxation	(308501)
9	Provision for Taxation	-
10	Profit after Taxation	(308501)
11	Proposed Dividend	-
12	Country	India

10. There are no delays in payments to Micro, Small and Medium Enterprises as required to be disclosed under "The Micro, Small and Medium Enterprises Development Act, 2006."

11. Related Party Disclosure as per AS 18 (As identified by the Management) :

(i) Related Party Relationship

(a) Where Control Existed	-
(b) Key Management Personnel	1) Shri Mahendra M. Chordia 2) Shri Sunil Jain 3) Shri Rajendra M. Chordia
(c) Relatives of Key Management Personnel (Whom Transaction have taken place)	1) Swarnsarita Jewellers 2) Asha M. Chordia
(d) Other Related Parties (Whom Transaction have taken place)	1) Swarnsarita Jewellers Private Limited 2) Sunny Chordia

(ii) Transaction with Related Parties :

(In Rs.)

Type of Related Party	Description of the Transaction	Volume of Transaction	
		2013-14	2012-13
(a) Where Control Exists	(a) Loan made	-	-
(b) Key Management Personnel	(a) Total Loans / Advances Paid	-	-
	(b) Total Loans / Advances Recd.	-	-
	(c) Directors Remuneration	1980000/-	1260000/-
	(d) Rent Paid	1800000/-	1200000/-
(c) Relatives of Key Management Personnel	(a) Total Loans / Advances Paid	-	-
	(b) Total Loans / Advances Recd.	-	-
	(c) Rent Paid	600000/-	1200000/-
(d) Other Related Parties	(a) Purchases/Sale of Goods --	-	1537273/-
	(b) Salary	303000/-	-

12. Earning Per Share:-

The Earning Per Share has been computed by dividing the profit after tax by number of Equity Shares outstanding.

	<u>Current Year</u>	<u>Previous Year</u>
(a) Net profit available for Equity Shareholders (Numerator used for calculation)	20796971	15884801
(b) Weighted Average number of equity shares used as denominator for calculating EPS	20876800	20030060
(c) Basic and Diluted Earnings per share of Rs.10 each :	1.00	0.79

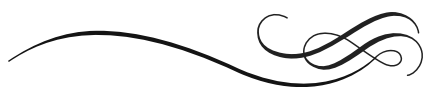
For Suresh Anchaliya & Co.
Chartered Accountants
Firm Regn. No.- 112492W

Suresh Anchaliya
Partner
Membership No. 044960

Place: Mumbai
Date: 22nd May, 2014

For and On behalf of the Board

Mahendra M. Chordia	}	Chairman & Managing Director
Rajendra M Chordia		Executive Directors
Sunil Jain		
Ashok Surana	}	Directors
Sunderlal L. Bothra		
Vishal R. Nolkha		
(Appointed on 29/03/2014)		



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SWARNSARITA GEMS LIMITED

(CIN : L36911MH1992PLC068283)

Registered office of the company: 17/19, Ground Floor, Dhanji Street, Mumbai- 400 003.

Website www.swarnsarita.in;

email: info@swarnsarita.com

BALLOT/ POLL FORM

(The members who are not able to attend the 22nd Annual General Meeting can send their assent or dissent in writing in respect of the resolution set out in the Notice by sending the duly filled and signed ballot/ Poll Form to **Mr. Deep Shukla, Practicing Company Secretary (the Scrutinizer)** at c/o. **SHAREX DYNAMIC (INDIA) PRIVATE LIMITED, Unit: SWARNSARITA GEMS LIMITED, Unit 1, Luthra Indl. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai: 400 072** so as to reach him on or before September 18, 2014).

Name	
Addresss	
DP Id	
Client Id	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I/ We hereby excersize my/our vote in respect of the Ordinary resolution / Special Resolution as specified in the Notice of Swarnsarita Gems Limited dated August 9, 2014 to be passed through Ballot/ Poll for the businesses stated in the said Notice by conveying my/our assent or dissent to the said Resolution in the relevant box below:

Item No.	Resolution	Type of Resolutions	(FOR)	(AGAINST)
			I/We assent to the Resolution	I/We dissent the Resolution
	Ordinary Business			
1	(a) the Audited Financial Statement of the Company for the financial year ended 31st March 2014 together with the Directors Report and Auditor's Report thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended 31st March 2014			
2	Re-appointment of Mr. Rajendra Chordia, who retires by rotation			
3	Appointment of M/s. Suresh Anchaliya & Co, Chartered Accountants, Mumbai as Auditors			
	Special Business			
4	Appointment of Mr. Vishal Nolkha as an Independent Director			
5	Appointment of Mr. Ashok Surana as an Independent Director			
6	Increase in remuneration of Mr. Rajendra Chordia as the Whole time Director			
7	Special Resolution to authorize the Board to create mortgage/ charge for a sum not exceeding Rs.500.00 crores			
8	Special Resolution to authorize the Board to borrow monies upto a sum not exceeding Rs.500.00 crores			
9	Special Resolution for alteration in the Articles of Association of the Company for adoption of Table F as per Companies Act, 2013.			

Place :

Date :

Signature of the Members

SWARNSARITA GEMS LIMITED

Registered office of the company: 17/19, Ground Floor, Dhanji Street, Mumbai- 400 003.
Website www.swarnsarita.in; email: info@swarnsarita.com; [CIN: L36911MH1992PLC068283]

Attendance Slip

Venue of the Meeting : Indian Merchant Chamber, Kilachand Conference Room, Indian
Merchant's Chamber Building Trust Room, IMC Marg, Churchgate, Mumbai-400020.

Date & Time : Monday, 22nd September 2014 at 11.30 am.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Name	
Address	
DP Id	
Client Id	
Folio No.	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 22nd Annual General Meeting of the company held on **Monday, September 22, 2014 at 11.30 a.m.** at Indian Merchant Chamber, Kilachand Conference Room, Indian Merchant's Chamber Building Trust Room, IMC Marg, Churchgate, Mumbai-400020.

Signature of the Member/ Proxy

Note: Electronic copy of the Annual Report for 2014 and Notice of the 22nd Annual General Meeting with the Attendance slip and Proxy form is being sent to all the members whose email id is registered with the Company/ Depository Participant unless any meeting has been requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.

2. Physical copy of the Annual Report for 2014 and Notice of the 22nd Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email Id is not registered or has requested for hard copy.

SWARNSARITA GEMS LIMITED

Registered office of the company: 17/19, Ground Floor, Dhanji Street, Mumbai- 400 003.

Website www.swarnsarita.in; email: info@swarnsarita.com; [CIN: L36911MH1992PLC068283]

Form No. MGT-11

FORM OF PROXY

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

Venue of the Meeting : Indian Merchant Chamber, Kilachand Conference Room, Indian
Merchant's Chamber Building Trust Room, IMC Marg, Churchgate, Mumbai-400020.

Date & Time : Monday, 22nd September 2014 at 11.30 am.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Name	
Registered Address	
Email Id	
DP Id	
Client Id.	
Folio No.	

*Applicable for investors holding shares in Electronic form.

I/We _____ of _____ being a member/ member of _____ hereby
appoint the following as my /our Proxy to attend the vote (for mr/us and on my/our behalf at the 22nd Annual General Meeting of the Company to
be held on **Monday, September 22, 2014 at 11.30 a.m.** at Indian Merchant Chamber, Kilachand Conference Room, Indian Merchant's Chamber
Building Trust Room, IMC Marg, Churchgate, Mumbai-400020 and at any adjournment thereof) in respect of such resolutions as are indicated below:

1. Mr/Mrs _____ (Name and Signature of the Proxy) or failing him/her Registered
address _____
Email Id _____ Signature _____
2. Mr/Mrs _____ (Name and Signature of the Proxy) or failing him/her Registered
address _____
Email Id _____ Signature _____

** I/We direct my/our Proxy to vote on the resolutions in the manner as indicated below:

Sl.No	Resolutions	Number of Shares held	For	Against
Ordinary Business				
1.	(a) the Audited Financial Statement of the Company for the financial year ended 31st March 2014 together with the Directors Report and Auditor's Report thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended 31st March 2014			
2.	Re-appointment of Mr. Rajendra Chordia, who retires by rotation			
3.	Appointment of M/s. Suresh Anchaliya & Co, Chartered Accountants, Mumbai as Auditors			
Special Business				
4.	Appointment of Mr. Vishal Nolkha as an Independent Director			
5.	Appointment of Mr. Ashok Surana as an Independent Director			
6.	Increase in remuneration of Mr. Rajendra Chordia as the Whole time Director			
7.	Special Resolution to authorize the Board to create mortgage/charge for a sum not exceeding Rs.500.00 crores			
8.	Special Resolution to authorize the Board to borrow monies upto a sum not exceeding Rs.500.00 crores			
9.	Special Resolution for alteration in the Articles of Association of the Company for adoption of Table F as per Companies Act, 2013.			

** This is optional. Please put a tick mark (v) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all of the Resolutions, the proxy will be entitled to vote in the manner he/ she thinks appropriate. If a member wishes to abstain from voting on particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signature(s) of the Member(s)

1. _____
2. _____
3. _____

Signed this _____ day of _____ 2014

Affix One
Ruppee
Revenue
Stamp

Notes:

1. The Proxy to be effective should be deposited at the registered office of the company not less than Forty Eight Hours before commencement of the meeting.
2. A proxy need not be a member of the company.
3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.
4. The form of proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

If undelivered, please return back to:



Swarnsarita Gems Limited

17/19, Dhanji Street, Ground Floor, Mumbai - 400 003. Maharashtra. India.

Ph.: 022-4359 0000 (20 Lines), 3352 7222 / 4318

Fax: 022-4359 0010 / 0020

Email: info@swarnsarita.com | Web: www.swarnsarita.com