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RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue
This Red Herring Prospectus shall be updated upon filing with the RoC
Dated March 12, 2010

Shree Ganesh JEWELLERY HOUSE LTD

SHREE GANESH JEWELLERY HOUSE LIMITED

Our Company was originally incorporated in Kolkata as Shree Ganesh Jewellery House Private Limited on August 30, 2002. The status of our Company was changed to a public limited company and our name was changed to "Shree Ganesh Jewellery House Limited" pursuant to a fresh certificate of incorporation issued by the RoC, West Bengal on August 14, 2007. For details of incorporation and changes of name, please refer to the section titled "History and Certain Corporate Matters" beginning on page 102 of this Red Herring Prospectus.

Registered Office: 413, Vardaan Market, 25A, Camac Street, Kolkata - 700 016; **Tel No:** + 91 33 2280 0345; **Fax No:** + 91 33 2283 5075
Website: www.sgjhl.com; **E-mail:** investors@sgjhl.com
Corporate Office: Avani Signature, 4th Floor, Suite No. 402, 91A/1 Park Street, Kolkata - 700016; **Tel:** +91 33 3025 9382; **Fax:** +91 33 4007 1623;
Contact Person: Mr. Mukund Chandak, Company Secretary and Compliance Officer

Promoters of our Company: Mr. Nilesh Parekh and Mr. Umesh Parekh

PUBLIC ISSUE OF 1,42,69,831 EQUITY SHARES OF RS.10 EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE), AGGREGATING TO RS. [●] LACS (HEREINAFTER REFERRED TO AS "THE ISSUE"), CONSISTING OF A FRESH ISSUE OF 1,21,36,497 EQUITY SHARES BY SHREE GANESH JEWELLERY HOUSE LIMITED ("OUR COMPANY" OR "THE ISSUER") AND AN OFFER FOR SALE OF 21,33,334 EQUITY SHARES BY CREDIT SUISSE PE ASIA INVESTMENTS (MAURITIUS) LIMITED ("THE SELLING SHAREHOLDER"). THE ISSUE WILL CONSTITUTE 23.52% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY. THE FRESH ISSUE WILL CONSTITUTE 20.00% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID / ISSUE OPENING DATE.

THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bid/Issue Period not exceeding Ten working days. Any revision in the Price Band and/or the Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers ("BRLMs") and at the terminals of the members of the Syndicate.

In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post-Issue paid up capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

IPO GRADING

This Issue has been graded by Credit Analysis and Research Limited as "Care IPO Grade 3", indicating "Average Fundamentals". For more information on IPO Grading, please refer to the section titled "General Information" beginning on page 11 of this Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The Face Value of the Equity Shares is Rs.10/- and the Floor Price is [●] times of the Face Value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company and the Book Running Lead Managers ("BRLMs")) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of Our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. **Specific attention of the investors is invited to the section titled Risk Factors beginning on Page No. XV of this Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Red Herring Prospectus contains all information with regard to Our Company and the Issue, which is material in the context of this Issue; that the information contained in this Red Herring Prospectus is true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. The in-principle approvals of the BSE and the NSE for listing the Equity Shares have been received pursuant to letter no. DSC/IPO/SI/IPO-IP/850/2009-10 dated November 6, 2009 and letter no. NSE/LIST/124444-V dated November 27, 2009 respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
AXIS BANK	ICICI Securities	Avendus	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
Axis Bank Limited Central Office, Maker Tower 'F', 11th Floor, Cuffe Parade, Colaba, Mumbai 400 005, India Tel: +91 22 6707 1312 Fax: +91 22 6707 1264 Email: sgjh.ipo@axisbank.com Website: www.axisbank.com Contact Person: Mr. Dipen Kapadia/ Mr. Amit Shah Registration No: INM000006104 Investor Grievance E-mail: axbmbd@axisbank.com	**ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg, Churchgate,Mumbai 400 020, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: sgjhl.ipo@icicisecurities.com Website: www.icicisecurities.com Contact person: Mr. Mayank Lunawat Registration No: INM000011179 Investor Grievance E-mail: customercare@icicisecurities.com	**Avendus Capital Private Limited** IL&FS Financial Center, B Quadrant, 5th Floor, Bandra Kurla Complex,Bandra (East) Mumbai 400 051, India Tel : +91 22 6648 0050 Fax: +91 22 6648 0040 Email: shreeganesh@avendus.com Website: www.avendus.com Contact person: Ms. Rashi Malik Registration No: INM000011021 Investor Grievance E-mail: investorgrievance@avendus.com	**Link Intime India Private Limited** C- 13 Kantilal Maganlal Industrial Estate, (Pannalal Silk Mills Compound), LBS Marg, Bhandup (West), Mumbai - 400 078, India Tel: +91 22 2596 0320 Fax: +91 22 2596 0329 Email: sgjhl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar Registration No: INR000004068

ISSUE PROGRAMME*

BID/ISSUE OPENS ON: FRIDAY, MARCH 19, 2010	BID/ISSUE CLOSES ON: TUESDAY, MARCH 23, 2010

** Bidding for Anchor Investors, if any, shall open one day prior to the Bid/ Issue Opening Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Red Herring Prospectus, unless otherwise stated, all references to “Shree Ganesh Jewellery House Limited”, “SGJH”, “we”, “us”, “our” and “our Company” are to Shree Ganesh Jewellery House Limited, a company incorporated under the Companies Act, 1956, with its registered office at 413, Vardaan Market, 25A, Camac Street, Kolkata – 700 016, India.

In this Red Herring Prospectus, all references to, “Shree Ganesh Group”, “SGJH Group” and “Group” are to Shree Ganesh Jewellery House Limited and its Subsidiaries, as defined hereunder.

Unless the context otherwise indicates, the following terms in this Red Herring Prospectus have the meaning described in this section:

Conventional and General Terms/ Abbreviations

Term	Description
Act or Companies Act	The Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amounts
BIFR	Board for Industrial and Financial Reconstruction
BPLR	Bank Prime Landing Rate
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Cr.	Crores
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, read with rules and regulations thereunder and amendments thereto, as amended from time to time
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DRI	Directorate of Revenue Intelligence
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing Service
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000 and amendments thereto

Term	**Description**
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year/ FY	Period of twelve months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GDP	Gross Domestic Product
GoI/Government	Government of India
Half Year/ HY	Period of six months ended September 30 of that particular year
HNI	High Net worth Individual
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
I.T. Act	The Income Tax Act, 1961, as amended from time to time
IPR	Intellectual Property Rights
IT	Information Technology
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
JPY/ Yen	Japanese Yen, the official currency of Japan
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000. **OCBs are not allowed to invest in this Issue**

Term	Description
p.a.	Per annum
P/E Ratio	Price to earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
PAT	Profit after tax
PBT	Profit before tax
RBI	The Reserve Bank of India
RoC	Registrar of Companies, West Bengal
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, read with rules and regulations thereunder and amendments thereto, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act 1992, read with rules and regulations thereunder and amendments thereto, as amended from time to time
SEBI ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
Sec.	Section
SEZ	Special Economic Zone
State Government	The government of a state of the Union of India
Stock Exchange(s)	BSE and/ or NSE as the context may refer to
Swiss Franc	The official currency of Switzerland
U.A.E.	United Arab Emirates
US / USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US$/U.S.$	United States Dollars
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Fresh Issue by our Company and transfer of Equity Shares by the Selling Shareholder pursuant to the Offer for Sale
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	An Anchor Investor shall be a "Qualified Institutional Buyer", whose application size is atleast Rs 10 crores and making an application for the Issue in accordance with the SEBI (ICDR) Regulations. For further detail, see "Issue Procedure" on page 346 of this Red Herring Prospectus.

Term	Description
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by a Resident Retail Individual Bidder or a Non-Institutional Bidder, to make a Bid authorising a SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Investor/ ASBA Bidders	ASBA Investor means an Investor, except a QIB, who intends to apply through ASBA process and is applying through blocking of funds in a bank account with a SCSB
ASBA Form/ ASBA Bid-cum –Application Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of this Issue
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Forms or any previous ASBA Revision Form(s)
ASBA Process	The ASBA process, as detailed in the section titled "Issue Procedure" beginning on page 346 of this Red Herring Prospectus.
ASBA Public Issue Account	A bank account of our Company, under Section 73 of the Companies Act where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders
Avendus	Refers to Avendus Capital Private Limited
Axis Bank	Refers to Axis Bank Limited
Banker(s) to the Issue	Axis Bank Limited, ICICI Bank Limited and Standard Chartered Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to Bidders under the Issue and which is described under "Issue Procedure – Basis of Allotment" on page 395 of this Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto . For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a non-QIB Investor to subscribe to the Equity Shares
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid/Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for the Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Bengali newspaper with wide circulation
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the

Term	Description
	Issue, which shall be notified in a English national newspaper, a Hindi national newspaper and a Bengali newspaper with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Book Building Process/Method	Book building route as provided in Schedule XI of the SEBI ICDR, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	Book Running Lead Managers to the Issue, in this case being Axis Bank Limited, ICICI Securities Limited and Avendus Capital Private Limited
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
Controlling Branch	Such branches of the SCSBs which coordinate Bids under this Issue by ASBA Investors with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebigov.in/pmd/scsb.pdf
Cut-off Price	Any price within the Price band finalised by our Company in consultation with the Book Running Lead Managers. A Bid submitted at Cut-Off Price is a valid price at all levels within the Price Band. Only Retail Individual Bidders are entitled to bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 1,00,000. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price.
Designated Branch	Branch offices of the SCSBs which the respective SCSB has identified as a designated branch at which the Physical ASBA Form can be submitted by an ASBA Investor.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the amount blocked by the SCSB is transferred from the bank account of the ASBA Bidder to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
DP ID	Depository Participant's Identity
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 29, 2009 issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars of the price at which the Equity Shares are issued and the size (in terms of value) of the Issue
Electronic ASBA	The ASBA Form submitted electronically by the ASBA Investor through the

Term	Description
	internet banking facility provided by the SCSB
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Equity Shares	Equity shares of our Company of Rs. 10 each fully paid up
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder, excluding ASBA Bidders, will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated March 12, 2010 entered into by our Company, the Selling Shareholder, the Registrar to the Issue, BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders, excluding ASBA Bidders, on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or ASBA Bid-cum-Application Form or the ASBA Revision Form (s).
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted
Fresh Issue	The issue of 1,21,36,497 Equity Shares by our Company offered for subscription pursuant to the terms of this Red Herring Prospectus.
Fresh Issue Proceeds	The gross proceeds of the Issue that are available to our Company
I-Sec	Refers to ICICI Securities Limited
Issue	The public issue of 1,42,69,831 Equity Shares of Rs. 10 each by our Company consisting of a Fresh Issue of 1,21,36,497 Equity Shares and an Offer for Sale of 21,33,334 Equity Shares by the Selling Shareholder for cash at a price of [●] each aggregating to Rs. [●] lacs.
Issue Account	Account opened with the Bankers to the Issue by our Company and the Selling Shareholder to receive monies from the Escrow Account on the Designated Date
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Managers on the Pricing Date
Lead Merchant Banker	The Lead Merchant Banker shall mean all the BRLMs, that is, Axis, I-Sec and Avendus
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Mutual Fund Portion	5% of the QIB Portion or 4,28,095 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Proceeds	The Fresh Issue Proceeds less the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses see "Objects of the Issue" on

Term	Description
	page 35 of this Red Herring Prospectus
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 14,26,983 Equity Shares available for allocation to Non-Institutional Bidders
Offer for Sale	The offer for sale of 21,33,334 Equity Shares by the Selling Shareholder, pursuant to terms of the Red Herring Prospectus.
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable, provided however, for Anchor Investors, the pay-in-date shall be within two days of the Bid/Issue Closing Date.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date provided however, for Anchor Investors, the pay-in-date shall be within two days of the Bid/Issue Closing Date
Physical ASBA	The ASBA Form submitted physically by an ASBA Investor with the Designated Branches of the SCSBs.
Price Band	Price band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the Book Running Lead Managers finalizes the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
QIB Margin Amount	An amount representing at least 10% of the Bid Amount which the QIBs are required to pay
QIB Portion	The portion of the Issue being at least 85,61,899 Equity Shares of Rs. 10 each required to be allocated to QIBs
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, Multilateral and Bilateral Development Financial Institution, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250,000,000, pension funds with a minimum corpus of Rs. 250,000,000, National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India.
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount shall be made. This excludes Bids

Term	Description
	received from ASBA Bidders
Refund Bank	Axis Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit, NEFT or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited
Retail Individual Bidder(s)	Individual Bidders who have bid for Equity Shares for an amount not more than Rs. 100,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being up to 42,80,949 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three (3) days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Self Certified Syndicate Bank/SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/ pmd/scsb.pdf.
Selling Shareholder	Credit Suisse PE Asia Investments (Mauritius) Limited
Stock Exchanges	BSE and NSE
Syndicate/Members of the Syndicate	The Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	The agreement dated March 12, 2010 entered into between the Syndicate, the Selling Shareholder and our Company in relation to the collection of Bids in this Issue (except Bids from ASBA Bidders)
Syndicate Members	Enam Securities Private Limited, Ashika Stock Broking Limited, Prabhudas Lilladhar Private Limited and Reliance Securities Limited
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate or the SCSB to the Bidder as proof of registration of the Bid
Underwriters	The Book Running Lead Managers and the Syndicate Members
Underwriting Agreement	The agreement among the members of the Syndicate, the Selling Shareholder and our Company to be entered into on or after the Pricing Date

Company Related Terms

Term	Description
Articles/ Articles of Association	Articles of Association of our Company
Auditors	The statutory auditors of our Company, BSR & Associates, Chartered

Term	Description
	Accountants
Board/Board of Directors	The Board of Directors of our Company
Corporate Office	Refers to the corporate office of our Company situated at Avani Signature, 4th Floor, Suite No. 402, 91A/1 Park Street, Kolkata – 700016, India
Directors	Directors of our Company
Memorandum/ Memorandum of Association	Memorandum of Association of our Company
Projects	The Mondalpara Unit, Domjur Unit, the new facility at Manikanchan SEZ and the proposed retail outlets are together referred to as the "Projects". For further details, please refer to "Objects of the Issue" on page 35 of this Red Herring Prospectus
Promoters	The promoters of our Company, namely, Mr. Nilesh Parekh and Mr. Umesh Parekh
Promoter Group	Promoter Group refers to Aastha Complex Private Limited, Kalindi Enclave Private Limited, Liberson Dealcomm Private Limited, NUK Properties Private Limited, Damgan Retail Jewellery Private Limited, Nilesh Parekh HUF, Umesh Parekh HUF, Shailendra Parekh Foundation, a charitable trust and the individuals referred to in "Promoter and Promoter Group" on page 145 of the Red Herring Prospectus.
Group Companies	Group Companies mean companies, firms, ventures, etc. promoted by our Promoters, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, 1956 or not and includes Damgan Retail Jewellery Private Limited, Nilesh Parekh HUF, Umesh Parekh HUF and Shailendra Parekh Foundation, a charitable trust
Registered Office	The registered office of our Company situated at 413, Vardaan Market, 25A, Camac Street, Kolkata – 700 016, India
Subsidiaries	The subsidiaries of our Company as detailed in "History and Certain Corporate Matters" on page 102 of the Red Herring Prospectus and namely Gold Art Jewellers Private Limited, J T Metals and Minerals Exports Private Limited, Bajoria Apartments Private Limited, Gokul Jewellery House Private Limited, Chaturbhuj Jewellery House Private Limited, Samukh Exim Private Limited, Shrishti Jewel Art Private Limited, Galaxy Jewel Art Private Limited, Safal Jewellers Private Limited, Subarna Jewels Private Limited, Mudrika Jewels Private Limited, Smart Gold Jewel House Private Limited, Easy Fit Jewellery Private Limited and Shree Ganesh Jewellery House (Singapore) Pte Limited

Technical/Industry Related Terms

Term	Description
BIS	Bureau of Indian Standards
BG	Bank Guarantee
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
Carat	The unit for determining weight of gemstones, 1 carat being equal to 0.2 grams
CCTV	Close Circuit Television

Term	Description
DTA	Domestic Tariff Area
ECGC	Export Credit Guarantee Corporation
EoU	Export Oriented Unit
EPCES	Export Promotion Council for EoUs and SEZs
EPZ	Export Promotion Zone
FBP	Foreign Bill Purchase
FEDAI	Foreign Exchange Dealers' Association of India
FD	Fixed Deposit
GJEPC	Gems and Jewellery Export Promotion Council
Kg	Kilo Gram
KL	Kilo Liter
KVA	Kilo Vatt Ampere
LIBOR	London Interbank Offered Rate
PLR	Prime Lending Rate
SME	Small and medium enterprises
SSI	Small Scale Industries
VRV	Veriable Refrigerant Volume
WGC	World Gold Council
WTPCG	Whole Turnover Packing Credit Guarantee

All other words and expressions used but not defined in this Red Herring Prospectus, but defined in the Companies Act, the SEBI ICDR or in the Securities Contracts (Regulation) Act and/ or the Rules and the Regulations made thereunder, shall have the meanings respectively assigned to them in such Acts or the Rules or the Regulations or any statutory modification or re-enactment thereto, as the case may be.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI ICDR, which are included in this Red Herring Prospectus and set out in the section titled "Financial Information" beginning on page 158 of this Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off.

Currency of Presentation

All references to "Rupees" or "Rs." Are to Indian Rupees, the official currency of the Republic of India. All references to "US$", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America. All references to "Euro" are to the official currency of the European Union. All references to the "Yen" are to the official currency of Japan and all references to Swiss Francs are to the official currency of Switzerland.

This Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Schedule VIII(G) of the SEBI ICDR. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, the rates stated below or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports have not been verified by any independent sources.

The extent to which the industry and market data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Exchange Rates

This Red Herring Prospectus contains translations of certain Euro, US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Schedule VIII (VIII) (G) of the SEBI Regulations. These translations should not be construed as a representation that the Euro and US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

Unless, otherwise stated, our Company has, in this Red Herring Prospectus, used a conversion rate of Rs. Rs. 48.71 for one U.S Dollar, being the RBI reference rate as of July 31, 2009 (Source: RBI website). Such translations should not be considered as a representation that such U.S Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

The exchange rates of the respective foreign currencies are as on July 31, 2009

Currency	**Exchange Rate into Rs.**
1 Euro	68.49
1 USD	48.71
1 Yen	0.5114
1 Swiss Franc	44.79

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

This Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("EEA"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each relevant Member State. Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which is the subject of the placement contemplated in this Red Herring Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the BRLMs to produce a prospectus for such offer. None of the Company and the BRLMs has authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLMs which constitute the final placement of Equity Shares contemplated in this Red Herring Prospectus.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant statement.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, among others:

1. Disruptions in our manufacturing facilities
2. Disruption in raw material supply
3. Implementation risks involved in our projects
4. Continuation of tax benefits available to us
5. Our ability to successfully implement our strategy, growth and expansion plans;
6. Our exposure to market risks
7. The outcome of legal or regulatory proceedings that we are or might become involved in
8. Contingent liabilities, environmental problems and uninsured losses
9. Government approvals
10. Changes in government policies and regulatory actions that apply to or affect our business
11. Developments affecting the Indian economy
12. Uncertainty in global financial markets

For further discussion of factors that could cause our actual results to differ from our expectations, see “Risk Factors”, “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages xv, 82 and 276 of this Red Herring Prospectus. Neither our Company nor the Selling Shareholder nor any of the Book Running Lead Managers or any of the Underwriters nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof. In accordance with SEBI requirements, our Company and the Book Running Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the sections titled "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 82 and 276 respectively of this Red Herring Prospectus as well as the other financial and statistical information contained in this Red Herring Prospectus. Occurrence of any one or a combination of the following risks, as well as the other risks and uncertainties discussed in this Red Herring Prospectus, could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of the Equity Shares to decline, which could result in the loss of all or part of your investment. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Internal Risk Factors as envisaged by the management

1. ***We and our Promoters are involved in various legal proceedings which, if determined against us, could affect our business and financial conditions.***

   Our Company and our Promoters are party to several legal proceedings. No assurances can be given as to whether these proceedings will be settled in our favour or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. A classification of the legal proceedings instituted against and by our Company and the monetary amount involved in these cases is mentioned in brief below:

   a. Proceedings initiated against our Company

Type of cases	Number of cases	Quantum involved (Rs. in lacs)	Nature of dispute
Sales Tax	Two	383.26	Appeal against assessment order against payment of sales tax by our Company and demand notice by the Sales Tax Officer
Income Tax	Four	81.20	Income tax demands against our Company
Total liability involved		**464.46**	

   b. Income Tax Search

   The Income Tax Department had undertaken a search at our Company's premises in March 2009 along with a search at the premises of some of our Directors. Consequent to the search, the Income Tax department has not reverted to our Company or our Directors. There may be reassessment of our previous assessment years which may result in additional tax liabilities.

   c. Proceedings initiated against our Promoters

   Notice had been issued to Mr. Nilesh Parekh in December 2006 under section 108 of the Customs Act, 1962 by Directorate of Revenue Intelligence ("DRI") with regard to mode of procurement of gold, manufacturers, exports and other details of our business. The notice has been replied to and DRI has not reverted in this matter.

d. Proceedings initiated by our Company

Type of cases	Number of cases	Quantum involved (Rs. in lacs)	Nature of dispute
Civil proceedings	Three	514.57	Our Company has filed a writ petition against the Kolkata Municipal Corporation against a claim for payment of municipal tax and two petitions before the BIFR in relation to the winding up of the respondent in relation to the dishonour of cheques.
Criminal proceedings	Two	373.58	Our Company has filed petitions under section 138 of the Negotiable Instruments Act, 1882 in relation to same matters referred to hereinabove.
Total amount under claim		**888.15**	

Note: The amount indicated in the column above is approximate amounts.

For further details, please refer to the section titled "Outstanding Litigations and Material Developments" beginning on page 308 of this Red Herring Prospectus.

2. ***We are yet to receive the approval for the transfer of the lease of the property on which a part of our manufacturing process is undertaken at Manikanchan SEZ and failure to receive the approval shall adversely affect our business and results of operations.***

The premises on which a part of our manufacturing process is undertaken at Manikanchan SEZ, admeasuring 145.79 sq. meters, was leased by the West Bengal Industrial Development Corporation ("WBIDC") to Shree Vinayak Jewellers ("Lessee"). We have entered into an understanding with the Lessee pursuant to which we have paid the consideration for the premises to them and transfer of possession of the premise has been completed. The Lessee has applied for transfer of the lease to our name but is yet to receive a formal possession certificate from the WBIDC. WBIDC has the right to refuse our application for transfer of the lease to our name. In the event WBIDC refuses to transfer the lease to us, we shall have to vacate the said premises and transfer the machinery to our other units at Manikanchan SEZ, which may affect our business operations.

3. ***We have limited operating and financial history in the manufacture of machine made jewellery, diamond studded jewellery and undertaking retail operations.***

We propose to diversify into the manufacture of machine made jewellery and diamond studded jewellery at our proposed plants at Manikanchan SEZ, Mondalpara and Domjur, in West Bengal. We also intend to expand our chain of retail outlets through which we intend to cater directly to a larger stratum of society. Our limited experience in setting up and operating a manufacturing facility similar to our proposed projects and undertaking retail operations at a larger scale may hinder our ability to operate the proposed plants and retail outlets in a commercially successful manner. We shall also be required to employ a large work force and our limited experience in handling labour related issues may also prove to be a concern. These factors may adversely affect our results of operations and financials.

4. ***The proceeds of the Issue and our internal accruals may be inadequate to meet the objects of the Issue and our Company may not be able to raise additional capital to fund the project costs which shall adversely affect our business and results of operations***

The proceeds of the Issue are expected to meet the cost of our expansion plans at Manikanchan SEZ, Domjur, Mondalpara, setting up of retail outlets and also to meet our incremental working capital requirements. There can be no assurance that the Net Proceeds of the Issue and our internal accruals will be adequate to finance the Projects, as has been disclosed in "Objects of the Issue" on page 35 of this Red Herring Prospectus. Moreover, we have not made any alternate arrangement to fulfill the aforesaid requirement of funds for the proposed Project. Any delay in raising the funds from this Issue may adversely affect the implementation of the Project and financial performance of our Company.

5. ***Our revenues are highly dependent on a few major clients. The loss of any of these clients may adversely impact our revenues and profitability***

Our revenues are highly dependent on a few major clients. The break down of business relations with any of these clients could have a material adverse effect on our revenues and profitability, the exact quantum of which is not possible to ascertain as on date. The break – up of our revenues from our major clients is as follows:

(Rs in lacs)

	Six months ended September 30, 2009	Percentage of total sales (%)	FY 2009*	Percentage of total sales (%)	FY 2008*	Percentage of total sales (%)	FY 2007*	Percentage of total sales (%)
Top customer	28,436.18	21.98	43,071.28	20.04	35,418.12	27.80	22,299.69	27.06
Top three customers	59,880.66	46.28	89,109.58	41.48	67,547.64	52.95	50,527.22	61.32
Top five customers	82,302.54	63.61	1,28,098.58	59.62	86,634.63	67.92	59,052.30	71.66

**Excludes impacts of year end gold rate fixing difference on provisional sales*

6. ***We are substantially dependent on the supply of our raw materials from Al-Marhaba Trading FZC and Ibrahim Al-Sayegh Jewellery FZE and any breakdown in our relationship or failure to supply gold by the suppliers may impact our business and profitability***

We are substantially dependant on Al-Marhaba Trading FZC and Ibrahim Al-Sayegh Jewellery FZE for the supply of raw materials. For the half year ended September 30, 2009, Al-Marhaba Trading FZC and Ibrahim Al-Sayegh Jewellery FZE accounted for approximately 35.06% and 27.88% respectively of our raw material supplies. In the event there is a breakdown of our relationship with them or they fail to supply gold to us for any reason whatsoever, we may be forced to procure gold from other sources which may lead to time over runs and increased costs which consequently would affect our business and results of operations.

7. ***In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of our Projects which would inturn affect the revenues and results of operations of our Company***

The funds that our Company receives pursuant to the placement of the Fresh Issue portion would be utilized for the objects of the issue as has been stated in the section titled "Objects of the Issue" on page 35 of this Red Herring Prospectus. The proposed schedule of implementation of our Project is based on our management's estimates. In the past, the expansion plans have been delayed as a result of non-completion of the proposed pre-IPO placement. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may face time and cost overruns and this may affect our revenues and results of operations.

8. ***We have not entered into any long-term contracts with any of our customers and orders are not backed-up by a letter of credit facility***

   We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

   Moreover, none of the orders placed for our products are backed up by a letter of credit, but we enter into bill discounting facility with banks on with recourse basis and in such circumstances, any delay or non-receipt of payment from the customers may result in an increase in working capital cycle/ bad debts, affecting our liquidity position and profitability.

9. ***We are yet to procure the land on which we propose to set up our new unit at Manikanchan SEZ and any delay or failure of such procurement may affect our business.***

   We propose to set up a new unit for the manufacture of gold jewellery at Manikanchan SEZ, West Bengal with an installed capacity of 5,700 kgs of gold jewellery and 75,000 carats of diamond jewellery. We have identified the land on which the unit is proposed to be set-up but we are yet to enter into any definitive agreements for the lease of the same. If the negotiations for such procurements falls through or we are unable to acquire the land on favourable terms, our business and results of operations may be severely affected.

10. ***We have not placed orders for the machinery and equipment that is required for our Projects and as a result, we may face time and cost overruns.***

    We are yet to enter into definitive agreements or are yet to place orders for all the machinery and equipment required for our Projects. The total cost of plant and machinery proposed to be installed at our Projects is estimated to be Rs. 8,481.59 lacs. The quotations received from third party suppliers are predominantly in foreign currency denominations and the project cost has been estimated at the conversion rate prevailing as on June 30, 2009. As on date, the respective conversion rates have undergone a change and may further undergo a change at the time of delivery of the machinery and consequent payment. The payment for the machinery has to be made in the currency of the quotation and at the exchange rates prevailing on the date of the actual payment. Such a change in conversion rate may affect the value of the machinery and consequently the estimated cost of the project, as disclosed in this Red Herring Prospectus. These factors may increase the overall cost of our Projects, and we may have to raise additional funds by way of additional debt or equity placement to complete our Projects, which may have an adverse effect on our business and results of operations.

11. ***We are yet to initiate the process of recruiting the manpower required for the proposed Projects and any delay in recruiting the suitable personnel or the required number of people to operate the plants effectively may result in time and cost overruns.***

    We estimate that we require 280, 75 and 380 personnel for undertaking and executing our operations at our new plants at Manikanchan SEZ, Mondalpara and Domjur respectively. These plants are proposed to be set up at southern West Bengal and we propose to hire the required personnel and Karigars from the surrounding villages and townships. In the event we are unable to recruit the suitable personnel or the required number of people to operate the plants effectively, we may face time and cost overruns, which may have an adverse effect on our business and results of operations.

12. ***Our Promoters have significant control over us, and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

As on date of this Red Herring Prospectus, our Promoters, together with the members of the Promoter Group, beneficially own 88.33% of our issued and outstanding Equity Shares. Our Promoters, together with the members of the Promoter Group, will hold 70.66% of our post-Issue paid up capital. The Promoters have the ability to control our business, including matters relating to any sale of all or substantially all of our assets, timing and distribution of dividends, election of our officers and directors and change of control transactions. The Promoters' control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company even if it is in our Company's best interest. The Promoters and members of the Promoter Group may influence the material policies of our Company in a manner that could conflict with the interests of our other shareholders.

13. ***We are subject to restrictive covenants under our credit facilities that could limit our flexibility in managing our business.***

There are restrictive covenants in the agreements we have entered into with our lenders. The agreements governing certain of our debt obligations include terms that require us to, inter alia take prior approval of our lenders for undertaking any merger, demerger, pledge, lien, consolidation, reorganization, dissolution, amendment or modification of our charter documents, pass a resolution of voluntary winding up and approach capital markets mobilizing additional resources either in the form of debt or equity. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business. Though we have received necessary approvals from our lenders for this Issue, these restrictive covenants may also affect certain of the rights of our shareholders. For details of these restrictive covenants, see the section titled "Financial Indebtedness" beginning on page 294 of this Red Herring Prospectus.

14. ***Some of our Subsidiaries have incurred losses in the recent past.***

Some of our Subsidiaries have incurred losses in recent past. The details of losses incurred by our Subsidiaries and Group Companies are set out below:

(Rs. in lacs)

Subsidiaries and Associate Companies	FY 2007*	FY 2008*	FY 2009*	Six months ended September 30, 2009
Easy Fit Jewellery Private Limited	Nil	Nil	(4.76)	3.73
Shree Ganesh Jewellery House (Singapore) Pte. Limited	-	(1.35)	(0.69)	(1.20)
Bajoria Apartments Private Limited	5.07	5.28	9.08	(0.85)
Galaxy Jewel Art Private Limited	(0.06)	(0.04)	(0.04)	(0.30)
Mudrika Jewels Private Limited	(0.03)	(0.05)	(0.25)	(0.41)
Safal Jewellers Private Limited	(0.12)	22.18	15.04	6.96
Samukh Exim Private Limited	(0.12)	0.04	(0.26)	(0.39)
Shrishti Jewels Art Private Limited	(0.06)	9.26	15.84	39.05
Smart Gold Jewel House Private Limited	(0.03)	(0.05)	(0.05)	(0.59)
Subarna Jewels Private Limited	(0.03)	(0.11)	(0.07)	(0.48)
Damgan Retail Jewellery Private Limited	(0.41)	(10.10)	(38.98)	(0.98)

** As per audited un-restated numbers*

15. ***Our contingent liabilities could adversely affect our financial condition.***

As of March 31, 2009 and September 30, 2009, we had contingent liabilities of Rs. 60,315.57 lacs and Rs. 74,151.96 lacs respectively as disclosed in our restated standalone financial statements on "Financial Statement" on page 158 of this Red Herring Prospectus. If these contingent liabilities were to materialize, our resources may not be adequate to meet these liabilities or our financial condition could be adversely affected.

(Rs. in lacs)

Particulars	**Year ended March 31, 2009**	**Six months ended September 30, 2009**
Corporate guarantees given on behalf of our Company	6,000.00	6,500.00
Bills discounted with recourse	54,146.31	67,628.31
Claims against our Company in respect of income tax/ sales tax matters not acknowledged as debts	169.26	23.65

16. ***The completion of the Projects is dependent on performance of external agencies. Any shortfall in the performance of these external agencies may adversely affect our expansion plans.***

The completion of the Projects is dependent on performance of external agencies, which are responsible for construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns, which in turn may adversely affect our expansion plans.

17. ***The domestic retail jewellery industry is extremely competitive and our growth will depend on our ability to compete effectively.***

The Indian domestic retail jewellery industry is highly fragmented and dominated by the unorganized sector, from which the organized retail jewellery sector faces intense competition. The unorganized sector offers their products at highly competitive prices which may not be matched by us when we expand our retail operations in the domestic market, consequent to our expansion plans, which may affect our volume of sales and growth prospects.

18. ***The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities.***

Due to the nature of its business and despite compliance with requisite safety requirements and standards, the operations of our Company are subject to operating risks associated with jewellery manufacturing. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. The occurrence of any of these events could have a material adverse effect on the productivity and profitability and on the business, financial condition and future results of operations of our Company.

Also, our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, earthquakes other natural disasters and industrial accidents. Our manufacturing facilities are also subject to operating risk arising from compliance with the directives of relevant government authorities. The occurrence of any of these events could adversely affect our operating results.

19. Our failure to keep up with industry trends may affect our results of operations

New products, such as machine made Italian jewellery, have been contributed to the jewellery industry over the last few years. Although our in house design team has allowed us to maintain a high portfolio of designs and keep pace with the consumers' requirements, we cannot assure you that we shall be able to consistently keep up with industry trends which may adversely affect our results of operations. Introduction of any new portfolios in jewellery makes and designs may affect our current business. Further, we have not entered into any confidentiality or non-disclosure agreement with any of our karigars and consequently, our jewellery designs may be shared openly in the market which may damage our results of operations.

20. We may utilize more than 25% of the proceeds of the Net Issue Proceeds for General Corporate Purposes and as on date we are not in a position to indicate the purpose for which these proceeds of the Issue will be utilised.

We may utilize more than 25% of the proceeds of the Net Issue for General Corporate Purpose including but not limited to repayment or prepayment of loans taken by our Company, meeting our working capital requirements, entering into strategic alliances, joint ventures and acquisitions and meeting exigencies which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors. However, as on date, we are not in a position to indicate the purpose for which these proceeds of the Issue will be utilised.

21. Applications made by our Company for registration of certain trademarks have been rejected and in the event we continue to use such rejected trademarks, we may be liable for infringement of intellectual properties

In the past, some of our applications for registration of trademark have been rejected and in the event we continue to use such rejected trademarks, we may be liable for infringement of intellectual properties. For more details, please refer to the section titled "Licences and Approvals" beginning on page 312 of this Red Herring Prospectus.

22. We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or renew them in a timely manner may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. For more information, see "Licenses and Approvals" on page 312 of this Red Herring Prospectus. Also, we require certain licenses and approvals for our Projects which have also been listed out in the section titled "Licenses and Approvals". If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. If we fail to comply or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition and results of operations may be adversely affected.

23. Our Company is subject to high working capital requirements and our inability to fund these requirements in a timely manner may adversely impact our financial performance

Our working capital requirement is high due to upfront payment for procurement of gold and longer debtor cycles. Inability of our Company to raise corresponding working capital in line with the growth of our operations may result in adversely affecting our operations and financial performance.

24. ***Our success depends largely on our senior management and our ability to attract and retain our key personnel.***

Our success depends on the continued services and performance of the members of our management team and other key employees. If one or more members of our senior management team were unable or unwilling to continue in their present positions, our business could be adversely affected. Attracting and retaining scarce top quality managerial talent has become a serious challenge facing companies in India. Competition for senior management in the industry in which we operate in India is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. As such, any loss of our senior management personnel or key employees could adversely affect our business, results of operations and financial condition.

25. ***All our present and proposed manufacturing facilities are situated in one geographical area, and thus exposed to any risks/adverse developments affecting that area.***

Our present manufacturing facility is situated in one structural construction in Manikanchan SEZ and the Projects are proposed to be situated in southern West Bengal, which are around the same geographical area and consequently, our business operations are vulnerable to damage or interruptions in operations due to adverse weather conditions, earthquakes, fires, explosions, power loss, viruses, transmission cable cuts, civil disturbances or other similar events which may affect these areas. Any failure of our systems or any shutdown of any part of our manufacturing units, networks, operations because of operational disruptions, natural disaster such as flood, hurricane, earthquake or other factors, could disrupt our services and result in significant costs and delays in execution of orders. We do not have a diversified base of manufacturing operations, and local disturbances would have a material adverse effect on our business, and consequently on our results of operations and financial condition.

26. ***We have entered into, and will enter into, related party transactions, which amounted to Rs. 4,586.11 and Rs. 3,812.48 for the six months ended September 30, 2009 and Fiscal 2009, respectively. We cannot assure you that such transactions would not have achieved more favourable terms had such transactions been entered into with unrelated parties and consequently would have a more favourable affect on our financial conditions***

We have entered into transactions with several related parties, including our Promoters and Directors, which amounted to Rs. 4,586.11 and Rs. 3,812.48 for the six months ended September 30, 2009 and Fiscal 2009, respectively. While we believe that all such transactions have been conducted on an arm’s length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties and consequently would have a more favourable affect on our financial conditions. For more information regarding our related party transactions, please refer to the section titled “Related Party Transactions” and “Prominent Notes” beginning on page 150 and page xxix respectively of this Red Herring Prospectus.

27. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of its financing arrangements.***

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividend in the future. Additionally, we are restricted by the terms of our debt financing from making dividend payments in the event we default in any of the debt repayment installments.

28. Our inability to manage our growth could disrupt our business and reduce our profitability

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our existing businesses, as well as the development of related businesses and other projects. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. An inability to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

29. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution.

The objects for which the funds are being raised have not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and management estimates. Though these quotes/ estimates have been taken recently, they are subject to change and may result in cost escalation. The requirement of working capital has been determined based on our Company's estimates inline with the past trends. Any change or cost escalation can significantly increase the cost of the Projects.

30. We may be exposed to commodity price fluctuations once we expand our retail operation for retailing of the products manufactured by us and commence gold refining operations, which may affect our results of operations.

Currently, we are insulated from gold price fluctuations as gold as a commodity is a pass through. The price at which our customer fixes the gold content of the jewellery determines the price at which we fix our purchase price to our vendor. However, once we expand our retail operations for retailing of the products manufactured by us and commence gold refining operations, we may be unable to fix the price of the products based on the price of the raw material. In such an event, fluctuations in the price of gold may affect our results of operation.

31. We have not entered into any definitive agreements to monitor the utilization of the Issue proceeds.

The deployment of funds as stated in the "Objects of the Issue" beginning on page 35 of this Red Herring Prospectus is entirely at our discretion and is not subject to monitoring by any independent agency. We have not entered into any definitive agreements to utilise a portion of the Issue proceeds. There has been no independent appraisal of the Project. All the figures included under the section tiled "Objects of the Issue" beginning on page 35 of this Red Herring Prospectus are based on our own estimates. In the event, for whatsoever reason, we are unable to execute our plans to set up the Project, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. Due to the number and variability of factors that we will analyze before we determine how to use these un-utilised net proceeds, we presently cannot determine how we would reallocate such proceeds. Accordingly, investors will not have the opportunity to evaluate the economic, financial and other relevant information that will be considered by us in the determination on the application of any such net proceeds in these circumstances.

32. Fluctuations in exchange rates between the Rupee and the United States Dollar may have a material adverse effect on our results of operations and consequently the value of our Equity Shares.

Our Company is and would continue to be exposed to various foreign currencies. The exchange rate between the Rupee and the United States Dollar has changed substantially in recent years and may fluctuate substantially in the future. We cannot assure investors that we will be able to effectively mitigate the adverse impact of currency fluctuations on the results of our operations. Although our Company has entered into forward contracts in order to appropriately mitigate risks on account of currency fluctuation, there can be no assurance that the risks arising out of fluctuations by the Rupee against foreign currencies can be fully mitigated. Equity Shareholders may not be able to convert Rupee proceeds into United States Dollar or any other currency, and there is no guarantee of the rate at which any such conversion shall occur, if at all.

33. ***We do not own the premises where our Registered Office, Corporate Office and some of our branch offices are located.***

At present we do not own the premises that we use as our Registered Office and our Corporate Office. In the event the owner of the premises revokes the consent granted to our Company or fails to renew the tenancy, we may suffer disruption in our operations. Further, we do not own some of the premises from where we operate our branch offices. If the terms of the lease are violated by us or if we are unable to renew the leases prior to the expiry of the term thereof on terms and conditions favourable to us, we may suffer a disruption in our operations which may adversely affect our operations.

34. ***Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business.***

Our insurance policies currently consist of a general fire, fidelity damage and flood coverage for our factory and office premises. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow could be adversely affected. Moreover, we do not maintain a key man insurance policy for any of our executive directors and our key managerial personnel. For details of our insurance cover, please refer to the section titled “Business Overview” beginning on page 82 of this Red Herring Prospectus.

35. ***Additional issuances of equity may dilute the holdings of our shareholders***

Any future equity issuances by us, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, or any perception by investors that such issuances or sales might occur may lead to the dilution of investor shareholding in our Company.

36. ***We may be adversely affected by a slowdown in the economy or any political instability in the United Arab Emirates***

As of March 31, 2009 and September 30, 2010, exports form 99.23% and 94.84% of our total sales of which exports to the UAE account for approximately 48.78% and 36.62% respectively. The UAE continues to be an important market for our products. Any political or economic instability in the UAE would adversely affect our margins.

37. ***Shortages of raw materials or volatility of raw material prices may adversely affect the demand of our products and consequently affect our businesses and results of operations***

Failure to procure appropriate quantities of gold, the primary raw material required for the manufacture of our products, in a timely manner and at competitive prices may adversely impact the quality and the selling price of our products. Volatility of gold prices may have negative impact on the demand of our products which shall affect our business and financial results.

38. Under-utilisation of our proposed expanded capacities may adversely impact our financial performance

We propose to expand our production capacities based on our estimates of market demand and profitability. As of March 31, 2009, the capacity utilisation was 73.39% of our capacities. In the event of non-materialisation of our estimates and expected order flow for our products, due to factors including adverse economic scenario, change in demand, change in fashion, etc., our capacities may not be fully utilised thereby adversely impacting our financial performance.

39. Our Company has issued Equity Shares at prices that may be lower than the Issue Price.

Our Company has issued Equity Shares during the last 12 months at a price that may be lower than the Issue Price, as disclosed hereinbelow:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.) per Equity Share	Issue Price (Rs.) per Equity Share	Nature of Consideration	Nature of Allotment/ Issuance
August 11, 2009	1,66,667	10	300*	Cash	Conversion of 500,000, 0% fully convertible debentures by Bennett, Coleman & Co. Limited
August 28, 2009	26,66,666	10	300*	Cash	Conversion of 26,66,666 Compulsorily Convertible Preference Shares by Credit Suisse PE Asia Investments (Mauritius) Limited

*The Company has made a bonus issue on September 23, 2009 in the ratio of 1:1. Pursuant to the bonus issue, the shareholding of Bennett, Coleman & Co. Limited stands at 3,33,334 Equity Shares and the shareholding of Credit Suisse PE Asia Investments (Mauritius) Limited stands at 53,33,334 Equity Shares. Consequently, the price per Equity Share held by them is Rs. 150 each.

40. Our "Other Income" includes certain non-recurring items which may not accrue in the future

We have a non-recurring standalone income of Rs. 117.13 lacs and Rs. 191.41 lacs for the year ended March 31, 2009 and the six months ended September 30, 2009 respectively. This income has been included under the line item "Other Income" in our restated profit and loss account and we are unable to assure you that such income shall accrue in the future. For further details, please see "Annexure VIII – Standalone Financial Statements" on page 196 of this Red Herring Prospectus.

41. The Finance Bill 2010 has proposed certain changes which could impact our results of operations.

The Finance Bill 2010 has proposed increase in custom duty on gold and platinum from Rs. 200 for 10 grams to Rs. 300 for 10 grams. Further, the excise duty on refined gold made from ore or concentrate has been proposed to be changed from 8% to a specific duty of Rs.280 per 10 grams of gold. These changes could have an impact on our results of operations.

External Risk Factors

42. ***Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry***

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced polices and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

43. ***If regional hostilities, terrorist attacks or social unrest in India increase, our business could be adversely affected and the trading price of the Equity Shares could decrease.***

The Asian region has from time to time experienced instances of civil unrest, terrorist attacks and hostilities among neighbouring countries. Military activity or terrorist attacks in India in the future could influence the Indian economy by creating a greater perception that investments in Indian companies involve higher degrees of risk. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Indian economy and our business and its future financial performance and the trading price of the Equity Shares.

Furthermore, India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country, leading to overall political and economic instability, it could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

44. ***Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

45. ***After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate as a result of the factors, including:

a. Volatility in the Indian and global securities market;

b. Company's results of operations and performance;

c. Performance of Company's competitors,

d. Adverse media reports on Company or pertaining to the industry in which we operate;

e. Changes in the estimates of Company's performance or recommendations by financial analysts;

f. Significant developments in India's economic liberalization and deregulation policies;

g. Significant developments in India's fiscal and environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for the industry and our Company. There has been no public market for our Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

46. ***Future sales of Equity Shares by shareholders or any future equity offerings by us may adversely affect the market price of the Equity Shares.***

In future for various business purposes, we may need to raise funds through further equity offerings. As a purchaser of the Equity Shares, you may experience dilution of your shareholding to the extent that we conduct future equity or convertible equity offerings. Such dilutions can adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

47. ***You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading approvals***

Our Equity Shares will be listed on NSE and BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors demat, accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchanges, we are required to refund all monies collected to investors.

48. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

49. Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of our Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Further the current financial turmoil in the United States has had a significant impact on the Indian economy as well as the stability of the Indian Markets. Financial instability in other countries such as USA, Russia and elsewhere in the world in recent years have had limited impact on the Indian economy and India was relatively unaffected by financial and liquidity crises experienced elsewhere. Although economic conditions are different in each country, investors´ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. This in turn could negatively impact the movement of exchange rates and interest rates in India. In short, any significant financial disruption could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares. Further, regulatory actions to rein inflation have led to increase in interest rates, and further increases cannot be ruled out, which again may affect our results of operations.

50. Investors may have difficulty in enforcing judgments against our Company or its management

Our Company is a limited liability company incorporated under the laws of India. All of our Directors and executive officers and some of its advisors and experts named in this Red Herring Prospectus are residents of India. Further, a substantial portion of our assets and the assets of such persons are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in jurisdictions outside India or to enforce judgments obtained against it or such persons outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (the "Civil Procedure Code"). Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the laws of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.

The United States has not been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. However, the U.K. has been declared by the Government to be a reciprocating territory. Accordingly, a judgment of a court in the U.S. may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered.

Prominent Notes:

- Public Issue of 1,42,69,831 Equity Shares of Rs.10 each for cash at a price of Rs. [●] per equity share (including a share premium of Rs. [●] per Equity Share), aggregating to Rs [●] lacs, consisting of a Fresh Issue of 1,21,36,497 Equity Shares by our Company and an Offer for Sale of 21,33,334 Equity Shares by the Selling Shareholder. The Issue will constitute 23.52% of the fully diluted post Issue paid-up capital of our Company. The Fresh Issue will constitute 20.00% of the fully diluted post Issue paid-up capital of our Company.

- Based on our restated consolidated financial information, our net worth was Rs. 42,988.39 lacs and Rs. 51,358.70 lacs respectively for the year ended March 31, 2009 and six months ended September 30, 2009 respectively and based on our restated standalone financial information of our Company, our net worth was Rs. 39,767.82 lacs and Rs. 48,065.81 lacs respectively for the year ended March 31, 2009 and six months ended September 30, 2009 respectively.

- The average cost of acquisition of the Equity Shares by our Promoters is:

Name of the Promoter	Cost per Equity Share (Rs.)
Mr. Umesh Parekh	4.60
Mr. Nilesh Parekh	4.88

The book value per Equity Share was Rs. 163.19 and 105.79, based on the restated consolidated financial information of our Company as on March 31, 2009 and September 30, 2009 respectively. The book value per Equity Share was Rs. 148.17 and Rs. 99.01, based on the restated standalone financial information of our Company as on March 31, 2009 and September 30, 2009 respectively. The Company has made a bonus issue on September 23, 2009 in the ratio of 1:1. The book value per share as on September 30, 2009 has been computed after taking into consideration the bonus issue.

- Except as disclosed in "Capital Structure" on page 24 of this Red Herring Prospectus, we have not issued any shares for consideration other than cash.

- Except as disclosed in "Our Management", "Related Party Transactions", "Our Promoter and Promoter Group" on pages 129, 150 and 145 respectively of this Red Herring Prospectus, none of our Promoters, our Directors and our key management personnel have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.

- Investors may contact any of the BRLMs for any complaints, information or clarifications pertaining to the Issue.

- Our Company has not changed its name in the last three years.

- Investors are advised to refer to "Basis of Issue Price" on page 62 of this Red Herring Prospectus.

- The transaction-wise aggregate values for the related party transactions have been set out in the following table:

Nature Of Transaction	**HY 2010**	**FY 2009**	**FY 2008**	**FY 2007**	**FY 2006**	**FY 2005**
Advances made for purchase of goods	-	-	31.98	233.24	-	-
Capital advances	-	-	34.00	6.50	-	-
Commission income	-	0.13	-	-	-	-
Interest income on loan given	36.81	8.10	3.97	32.47	-	1.17
Interest on loan given outstanding	-	-	-	0.20	-	-
Interest on loan taken	-	-	-	-	-	2.48
Investment made	-	-	555.32	0.33	-	-
Job work Income	-	28.48	1.28	4.69	24.08	19.11
Loan given	530.83	775.88	124.44	1,798.25	2,347.67	914.62
Loan taken	-	20.00	632.72	2,489.94	2,284.05	1,102.62
Loans given outstanding as at the year end	678.97	477.54	121.56	47.74	882.43	192.05
Loans taken outstanding as at the year end	-	-	126.87	1.11	573.62	46.61
Net Transaction with MCX division	-	-	-	0.37	-	-
Other repayments	-	-	-	158.78	-	-
Purchase of goods	493.42	69.26	133.70	434.43	317.96	90.21
Receivable / (payable) as at the year end	384.31	325.36	(81.22)	(217.10)	24.08	31.43
Remuneration including commission on profit	180.66	302.92	203.50	2.40	1.80	1.20
Rent expense	0.60	74.60	0.50	-	-	0.66
Repayment of loan given	326.33	429.00	48.65	2,429.63	1,499.59	837.09
Repayment of loan taken	-	146.87	505.72	2,634.33	1,910.90	924.78
Sale of Goods	1,951.68	843.24	1,543.24	3,424.90	-	412.07
Security deposit given	2.50	311.10	2.50	-	-	-
Share application money	-	-	-	-	-	9.40

For further details of related party transactions, see the notes to our financial statements in "Related Party Transactions" on page 150 of this Red Herring Prospectus respectively.

- In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

- Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Investors, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis. For more information, please refer to the section titled "Issue Procedure" beginning on page 346 of this Red Herring Prospectus.

- All Investors, except QIBs, may apply through the ASBA Process. For details of the ASBA Process, please refer to the section titled "Issue Procedure" beginning on page 346 of this Red Herring Prospectus.

- Trading in Equity Shares for all investors shall be in dematerialised form only.

- The BRLMs and our Company shall keep the shareholders / public informed of any material changes till the listing and trading commences as per the terms of the listing agreement and the SEBI ICDR.

- Except as provided in this Red Herring Prospectus, none of the Group Companies have business or other interests in our Company. For further details, please see "Related Party Transactions" and "Our Promoters and Promoter Group" on pages 150 and 145 of this Red Herring Prospectus.

- No member of the Promoter Group, the directors of our Company and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during six months prior to the filing of the Red Herring Prospectus.

- The details of loans and advances as on March 31, 2009 and as on September 30, 2009 made by our Company to persons and companies in which our Directors / Promoters are interested is as follows:

(Rs. In lacs)

Particulars	**Amount as on March 31, 2009**	**Amount as on September 30, 2009**
Promoter and their relatives	-	-
Group Companies	343.77	3.50
Subsidiaries	464.69	642.21

SECTION III

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

We are one of the largest manufacturers and exporters of handcrafted gold jewellery in India and have been awarded the "Outstanding Export Performance and Contribution in the Trade for Plain Precious Metal Jewellery Exports by Unit from EoU/EPZ" for FY 2008 and FY 2009 by the Gems and Jewellery Export Promotion Council ("GJEPC"). Our products include handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones such as diamonds, rubies, emeralds, sapphires, pearls, etc. and semi-precious stones such as garnet, cubic zirconium, etc. Our portfolio includes rings, earrings, pendants, bracelets, necklaces, bangles and medallions. Our products have presence across different price points to cater to all customers across high-end, mid-market and value market segments which are designed by a team of creative designers which allows us to manage a large and diverse portfolio of designs.

Our products are primarily exported to countries such as the U.A.E, Singapore and Hong Kong and we have recorded a consistent and steady growth in our exports. Our Company's export income has grown at a CAGR of 72.71% from FY 2007 to FY 2009 and our Company's share in the India's gold jewellery exports has increased from 1.83% to 6.10% during the same period. During the FY 2007, 2008, 2009 and six months ended September 30, 2009, our Company has exported 86.73%, 94.14%, 99.23% and 94.84% of our products respectively.

Our Company received the "Four Star Export House" certificate from the Joint Director of Foreign Trade, Government of India in June 2009 and have been bestowed the status of a "Nominated Agency" under the Foreign Trade Policy, which allows our Company to import precious metals directly. Our Promoters, Mr. Nilesh Parekh and Mr. Umesh Parekh, were the recipient of the "SinGem Young Achiever Award, Eastern India" in 2006, conferred by SinGems, one of India's premium institutes of jewellery designing. We have also received the EPCES Export Awards in February 2010 for Best SEZ-SSI for the year 2007-08.

We believe that our Company's restated financial performance from FY 2007 to FY 2009, viz; total income YoY grew by 55.09% in FY 2008 and 72.88% in FY 2009, export income YoY grew by 67.77% in FY 2008 and 77.81% in FY 2009, EBIDTA YoY grew by 74.65% in FY 2008 and 84.25% in FY 2009 and net profit YoY grew by 84.73% in FY 2008 and 47.73% in FY 2009, demonstrated the consistency of our Company's business growth and leadership capabilities. Additionally, our consolidated restated total income has increased from Rs. 1,47,304.38 lacs in FY 2008 to Rs. 2,94,254.86 lacs in FY 2009 which is an increase of 99.76% and our consolidated restated profit after tax has increased from Rs. 9,086.56 lacs in FY 2008 to Rs. 13,346.7 lacs in FY 2009 which is an increase of 46.88%. For the six months ended September 30, 2009, our Company's total income, export income, EBIDTA and net profit was Rs. 1,32,580.15 lacs, Rs. 1,23,311.45 lacs, Rs. 11,851.36 lacs and Rs. 7,995.90 lacs respectively.

We were also assigned "NSIC – CRISIL SE1A" rating by CRISIL for SMEs in December 2009 which indicates "Highest performance capacity and highest financial strength".

We have four manufacturing units, located in Manikanchan SEZ at West Bengal, which is presently the only jewellery SEZ in West Bengal, spread across an area of approximately 12,338.71 sq. ft. For further details, please see "Licenses and Approvals" on page 312 of this Red Herring Prospectus. During FY 2009 and for the six months ended September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold jewellery respectively. West Bengal is known for the availability of craftsmen ("karigars") skilled in the manufacture of handcrafted jewellery. We intend to set up an additional jewellery manufacturing unit at Manikanchan SEZ to supplement the existing facilities. We also plan to expand our portfolio by commissioning a new vertical in machine made Italian and light weight jewellery at Mondalpara and at Domjur, West Bengal. For further details of the Projects, please refer to the section titled "Objects of the Issue" on page 35 of this Red

Herring Prospectus. As of January 31, 2010, our Company has thirteen retail outlets and we intend to open forty six retail outlets across India including outlets under the shop-in-shop and franchisee models.

Competitive strengths

We set up our first unit at Manikanchan SEZ in 2004 with a capacity of 500 kgs of gold jewellery per year. We have set up three additional units at Manikanchan SEZ and during FY 2009 and for the six months ended September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold jewellery respectively.

Our principal competitive strengths include the following:

Strategic location of our manufacturing units and strong skilled craftsmen base

Our manufacturing units are located at West Bengal which is known for the availability of karigars skilled in the manufacture of handcrafted jewellery. Availability of skilled craftsmen at lesser costs with vast traditional knowledge and expertise in jewellery making is a key competitive strength that has established our presence in the handcrafted jewellery segment. The location of our manufacturing units, all of which are located at Manikanchan SEZ, entitles us to direct and indirect taxation benefits and expeditious custom clearances. Manikanchan SEZ's close proximity to the international airport enables the transit of our consignments easier, safer and punctual. These benefits reduce costs and consequently allow us to price our products competitively.

The infrastructural facilities at Manikanchan SEZ include high level security at the premises and uninterrupted water and electricity supply. The premises are monitored by close circuit television and security personnel. For uninterrupted power supply, double feeder power is supplied by the state electricity board which is backed up by a 3,000 KVA sub-station alongwith a 315 KVA diesel generator in case of an emergency. Water at the premises is supplied through a deep tube well, a pump house and a reservoir. The infrastructural advantages at Manikanchan SEZ ensure efficient execution of our production process.

Quality of our products

Our strength lies in understanding the requirement of the customer and our execution capabilities. This has enabled us to get repeat orders from our existing customers and attract new customers, We believe that the intricacies of our designs and quality of our products' finish enables us to get better margins on the products manufactured by us.

Insulation from fluctuations in prices of raw materials

The price fluctuation of gold, which comprises of approximately 90% of our raw materials, does not affect our margins because gold as a commodity is a pass through. The price at which our customer fixes the gold content of the jewellery determines the price at which we fix our purchase price with our vendor. Hence, we are insulated against the fluctuations in gold prices and do not indulge in any speculations on the same.

Strong sales and marketing network

We believe that one of the reasons for our success is our long term relationship with our customers. Our marketing team regularly visits both our international and domestic customers on sales trips. They also regularly solicit prospective customers by providing them with updated design catalogues. Our marketing initiatives include participation in international trade fairs and jewellery exhibitions, corporate advertisements in print medium domestically and across electronic mediums. Our customers are serviced through our sales and marketing offices at Kolkata, Ahmadabad, Mumbai, Delhi, Hyderabad, Jaipur and Bangalore.

Operating as a nominated agent

Our Company has been granted the status of a "Four Star Export House" by the Joint Director General of Foreign Trade, Government of India and have been bestowed the status of a "nominated agency" under the Foreign Trade Policy, which allows us to import precious metals directly. As a nominated agent, our Company shall be able to import gold directly for our manufacturing purposes and thereby eliminate the costs incurred on intermediaries. This allows us to price our products at competitive prices.

Experience of our Promoters and a strong management team

We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Mr. Nilesh Parekh, our Chairman and Mr. Umesh Parekh, our Managing Director, have significant industry experience spanning almost two decades and have been instrumental for the consistent growth in our revenues and operations. The family of our Promoters has been associated with the jewellery industry for the last five decades. Mr. Nilesh Parekh is responsible for the overall strategic planning and policy development of our Company and is assisted by an experienced team of senior managerial personnel. Mr. Umesh Parekh heads our marketing division as well as our international operations. We also lay a strong emphasis on our in-house human resource initiatives, by focusing on hiring, training and retaining the best talent. We believe that the experience of our senior management team has translated into our product quality, increased profitability and improved margins which give us a competitive edge.

Strong in house designing capabilities

Since inception, we have developed a wide repertoire of designs which together with new creations enables us to provide a diverse range to our customers. As of January 31, 2010, our Company has 15 in-house designers who have been using both conventional and modern jewellery designing methods. These designs are developed manually as well as with the aid of sophisticated CAD and CAM machines pursuant to consultations with our customers and our marketing and products development teams. We cater to all customers across high-end, mid-market, and value market segments. Our product profile encompasses traditional, thematic, contemporary, trendy, modern and fusion designs. Our Company has also tied up with one of the leading Indian designers, Mr. Sabyasachi Mukherjee, for jewellery designing.

Our Strategies

Our strategic objective is to further consolidate our position as one of the leading manufacturers of gold jewellery by diversifying our exports to new countries, foraying into the machine made Italian and light weight jewellery segment, the international retail segment, strengthening our presence in the domestic retail segment and maximising profitability from our operations. We intend to achieve this by implementing the following strategies:

Expanding geographies, product portfolios and foraying into manufacture of machine made jewellery.

We export a significant portion of our products to various international markets including U.A.E, Singapore and Hong Kong. In FY 2008, FY 2009 and for the six months ended September 30, 2009, the export sales (as a segment) generated from our products in our international markets accounted for approximately 94.14%, 99.23% and 94.84% respectively of our Company's income from the sales of our products. Exports have been an important part of our growth and we intend to continue to pay strong emphasis on international markets. We intend to further diversify our customer base in the European, Australian, African and untapped Middle Eastern markets apart from increasing our present customer base in UAE and South East Asia.

We have incorporated a subsidiary in Singapore and intend to incorporate another subsidiary at Dubai for easy procurement of gold and for catering to the Middle East and African market. We believe that the said proposed expansion would strengthen and diversify our customer base. We propose to distribute our branded products abroad through these subsidiaries.

To achieve our export expansion plans, we intend to enhance our production capacities by expanding our existing manufacturing facilities. We also intend to continue to leverage our products and our long term relationships and credentials with our international customers to further develop and strengthen our presence in the exports market.

We intend to expand our product portfolio by increasing the production of diamond studded jewellery by setting of the proposed unit at Domjur and at the new unit at Manikanchan SEZ. We also intend to manufacture machine made gold jewellery at the proposed units at Manikanchan, Domjur and Mondalpara. We believe the said expansion would enable us to cater to a broader customer base.

Strenghting our presence in retail branded jewellery domestically and foraying into international retailing of our products

As on date of this Red Herring Prospectus, we have thirteen retail outlets and we intend to open forty six retail outlets across India, the first of which we estimate would come up by the beginning of FY 2011. Pursuant to our retailing plans, we also propose to sell our products to retail chains or distributors, on a franchisee model, who in turn will sell it to the end customers. We also plan to venture into the overseas retail markets through overseas subsidiaries.

We carry out retail marketing of the products manufactured by us through our branded stores “Gaja”. For this purpose, we have initiated brand building exercises to position ourselves as a strong brand in the Indian jewellery market. We have a tie up with Mr. Sabyasachi Mukherjee for jewellery designing and have recently launched the collection designed by him. We plan to continue to tie up with leading designers for jewellery designing.

Setting-up of gold refining facility for old/used gold

We currently intend to set up a gold refinery plant with an annual installed capacity of 1,000 kgs of gold at our proposed unit at Domjur. The facility would refine pre-used gold which would subsequently be utilized as a raw material for jewellery manufacture. Currently, we procure refined gold from suppliers such as Al-Marhaba Trading FZC, Ibrahim Al-Sayegh Jewellery FZE, the Bank of Nova Scotia, the Standard Chartered Bank and the State Trading Corporation of India. Refining pre-used gold in-house would eliminate cost factors such as commissions, import costs and duties and other incidental expenses and reduce the basic raw material input cost. We intend to source old/used gold from government agencies, the domestic and international markets as well as through our proposed retail network. The said reduction in raw material costs would supplement our profit margins.

Pursue strategic alliances

In order to expand our operations, we intend to identify partners whose resources and capabilities are likely to enhance our business operations. We intend to enter into strategic alliances with these partners. We have entered into an agreement with Vishal Retail Limited for “Shop-in-Shop” arrangement through their existing outlets nationwide. We also plan to venture into the overseas retail market, especially in the Middle Eastern countries, the African countries and Europe, through our overseas subsidiaries.

SUMMARY FINANCIAL INFORMATION

Summary statement of profit and loss, as restated

(Amounts Rupees in Lakhs)

Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Income						
Sales						
- Of products manufactured by the Company	126,490.59	214,332.69	126,160.82	74,624.18	12,545.48	5,612.22
- Of products traded by the Company	3,523.65	517.43	1,219.84	7,779.57	-	-
Total	**130,014.24**	**214,850.12**	**127,380.66**	**82,403.75**	**12,545.48**	**5,612.22**
Service income	57.04	149.00	48.73	45.12	25.43	20.92
Other income	2,508.87	6,820.83	873.25	275.94	143.68	4.73
Total (A)	**132,580.15**	**221,819.95**	**128,302.64**	**82,724.81**	**12,714.59**	**5,637.87**
Expenditure						
Raw materials consumed	116,101.87	199,428.65	117,239.27	70,307.32	11,272.61	5,377.61
Purchases of traded goods	3,703.95	514.91	1,412.79	7,299.87	-	-
(Increase) / Decrease in inventories	(943.88)	(909.41)	(3,630.61)	(1,783.40)	(54.88)	(96.60)
Staff costs	520.82	1,114.62	871.34	167.54	27.55	21.60
Other manufacturing expenses	87.64	121.20	303.26	203.80	187.32	117.06
Administration expenses	1,143.31	1,075.36	816.46	250.93	35.39	57.04
Selling and distribution expenses	115.08	322.88	352.91	16.48	15.04	7.07
Total (B)	**120,728.79**	**201,668.21**	**117,365.42**	**76,462.54**	**11,483.03**	**5,483.78**
Profit before interest, depreciation, tax and adjustments (C) =(A) – (B)	**11,851.36**	**20,151.74**	**10,937.22**	**6,262.27**	**1,231.56**	**154.09**
Interest and finance charges	3,618.07	6,623.59	1,944.50	885.76	97.96	90.67
Depreciation / Amortisation	100.20	183.78	157.31	134.20	6.33	5.95
Total (D)	**3,718.27**	**6,807.37**	**2,101.81**	**1,019.96**	**104.29**	**96.62**
Profit before tax and adjustments (E) =(C) – (D)	**8,133.09**	**13,344.37**	**8,835.41**	**5,242.31**	**1,127.27**	**57.47**
Provision for tax						
- Current tax (F)	170.00	100.00	220.11	193.20	6.50	4.00
- Deferred tax charge/(release) (G)	(32.81)	(9.95)	(116.11)	(41.13)	(0.23)	0.50
- Wealth Tax (H)	-	0.75	0.21	0.33	-	-
- Fringe Benefit Tax (I)	-	8.50	13.51	5.86	2.01	-
Profit after tax and before adjustments as per audited accounts (J) = (E) -(F) - (G) - (H)- (I)	**7,995.90**	**13,245.07**	**8,717.69**	**5,084.05**	**1,118.99**	**52.97**
Adjustments (Refer Note 1 of Annexure IV) (K)	-	-	373.58	(356.18)	(4.56)	1.19
Current tax impact of adjustments (Refer Note 1 of Annexure IV) (L)	-	-	-	(2.28)	(1.46)	7.91

Summary statement of profit and loss, as restated (continued)

(Amounts Rupees in Lakhs)

Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Deferred tax impact of adjustments (Refer Note 1 of Annexure IV) **(M)** [charge/(release)]	-	-	125.75	(123.08)	(0.62)	(0.80)
Total of adjustments after tax impact (N) = (K)-(L) -(M)	**-**	**-**	**247.83**	**(230.82)**	**(2.48)**	**(5.92)**
Net Profit as restated (J) + (N)	**7,995.90**	**13,245.07**	**8,965.52**	**4,853.23**	**1,116.51**	**47.05**
Profit/(Loss) brought forward from previous year	27,561.81	14,600.72	5,886.04	1,167.90	51.39	4.34
Acquired on Amalgamation		-	-	915.94	-	-
Profit balance available for appropriation	**35,557.71**	**27,845.79**	**14,851.56**	**6,937.07**	**1,167.90**	**51.39**
Appropriations						
Issue of Bonus Share		-	-	1,051.03	-	-
Dividend	-	242.73	214.40	-	-	-
Dividend tax	-	41.25	36.44	-	-	-
Balance carried forward to Balance Sheet	**35,557.71**	**27,561.81**	**14,600.72**	**5,886.04**	**1,167.90**	**51.39**

Summary statement of assets and liabilities, as restated

(Amounts Rupees in Lakhs)

	Particulars	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
A.	**Fixed Assets**						
	(i) Gross Block	1,536.02	1,399.46	1,086.71	950.28	59.66	54.74
	Less : Accumulated depreciation	380.45	309.75	186.41	91.24	19.46	11.28
	Net Block	1,155.57	1,089.71	900.30	859.04	40.20	43.46
	(ii) Capital Work In Progress / advances	556.85	186.10	271.33	4.05	5.46	5.76
	Net block	**1,712.42**	**1,275.81**	**1,171.63**	**863.09**	**45.66**	**49.22**
B.	**Intangible assets**						
	(net of amortisation)	**86.36**	**115.14**	**172.72**	**230.29**	**-**	**-**
C.	**Investments**	**544.07**	**555.65**	**555.65**	**6.72**	**-**	**-**
D.	**Deferred Tax Assets (net)**	**265.49**	**165.11**	**155.16**	**164.80**	**1.56**	**0.70**
E.	**Current assets, loans and advances**						
	(i) Inventories	11,670.88	7,390.53	6,949.80	3,489.64	670.59	403.13
	(ii) Sundry Debtors	30,174.62	17,535.84	14,083.95	10,957.16	1,730.78	587.04
	(iii) Cash & Bank Balances*	62,889.47	54,323.69	25,592.18	3,840.14	254.80	90.15
	(iv) Loans and advances	5,221.15	6,861.11	1,648.00	596.67	991.95	40.82
	(v) Other current asset	695.20	142.58	17.47	68.90	-	13.70
		110,651.32	**86,253.75**	**48,291.40**	**18,952.51**	**3,648.12**	**1,134.84**
F.	**Liabilities & Provisions**						
	(i) Secured Loans	37,652.32	34,502.79	10,821.78	624.35	521.96	350.74
	(ii) Unsecured Loans	-	564.31	1,353.22	511.70	603.49	141.92
	(iii) Current Liabilities & Provisions	27,541.53	13,530.54	11,364.83	8,750.10	1,197.00	529.67
		65,193.85	**48,597.64**	**23,539.83**	**9,886.15**	**2,322.45**	**1,022.33**
	Net Worth (A+B+C+D+E-F)	**48,065.81**	**39,767.82**	**26,806.73**	**10,331.26**	**1,372.89**	**162.43**
G.	**Represented by: Share Capital**						
	- Equity Share Capital	4,854.60	2,143.97	2,143.97	1,256.02	78.50	44.35
	- Preference Share Capital	-	8,000.00	8,000.00	-	-	-
	- Share application pending allotment	-	-	-	887.95	-	2.00
		4,854.60	**10,143.97**	**10,143.97**	**2,143.97**	**78.50**	**46.35**
	Reserves and Surplus						
	- Securities premium account	7,208.44	1,684.54	1,684.54	1,923.75	126.49	64.69
	- Amalgamation reserve	325.59	325.59	325.59	325.59	-	-
	- General reserve	119.47	51.91	51.91	51.91	-	-
	- Profit and loss account	35,557.71	27,561.81	14,600.72	5,886.04	1,167.90	51.39
		43,211.21	**29,623.85**	**16,662.76**	**8,187.29**	**1,294.39**	**116.08**
	Net worth	**48,065.81**	**39,767.82**	**26,806.73**	**10,331.26**	**1,372.89**	**162.43**
	* includes margin money deposit on account of security deposit against borrowings which are not readily available for other purposes.	59,857.02	52,032.40	23,276.02	764.51	-	-

Consolidated summary statement of profit and loss, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries

(Amounts Rupees in Lakhs)

Particulars	HY2010	FY 2009	FY 2008
Income			
Sales			
- Of products manufactured by the Company	133,599.95	229,099.80	143,382.91
- Of products traded by the Company	8,380.27	56,788.07	2,538.18
Total	**141,980.22**	**285,887.87**	**145,921.09**
Service income	57.04	121.21	47.63
Other income	2,669.94	8,245.78	1,335.66
Total (A)	**144,707.20**	**294,254.86**	**147,304.38**
Expenditure			
Raw materials consumed	122,833.72	213,364.60	133,589.99
Purchases of traded goods	8,467.29	57,821.02	3,070.92
(Increase) / Decrease in inventories	(945.07)	(1,031.56)	(3,630.61)
Staff costs	540.59	1,136.67	874.04
Other manufacturing expenses	97.10	135.51	339.24
Administration expenses	1,237.58	1,236.71	925.79
Selling and distribution expenses	116.60	403.80	353.05
Total (B)	**132,347.81**	**273,066.75**	**135,522.42**
Profit before interest, depreciation, tax and adjustments (C) =(A) – (B)	**12,359.39**	**21,188.11**	**11,781.96**
Interest and finance charges	4,021.46	7,455.24	2,600.23
Depreciation / Amortisation	109.59	199.17	162.43
Total (D)	**4,131.05**	**7,654.41**	**2,762.66**
Profit before tax and adjustments (E) =(C) – (D)	**8,228.34**	**13,533.70**	**9,019.30**
Provision for tax			
- Current tax (F)	198.46	172.41	270.71
- Deferred tax charge/(release) (G)	(34.30)	(10.16)	(116.88)
- Wealth Tax (H)	-	0.75	0.21
- Fringe Benefit Tax (I)	-	9.26	13.51
Profit after tax and before adjustments			
(J) = (E) -(F) - (G) -(H)- (I)	**8,064.18**	**13,361.44**	**8,851.75**
Share of loss from associate (K)	**-**	**-**	**0.11**
Adjustments (Refer Note 1 of Annexure IV) **(L)**	9.01	(2.47)	351.64
Deferred tax impact of adjustments (Refer Note 1 of Annexure IV) **(M)**	-	-	125.75
[charge/(release)]			
Total of adjustments after tax impact (N) = (L) -(M)	**9.01**	**(2.47)**	**225.89**
Net Profit as restated (O) - (K) + (N)	**8,073.19**	**13,358.97**	**9,077.53**
Share of profit of minorities	4.97	17.17	10.48
Profit/(Loss) brought forward from previous year	27,759.85	14,702.03	5,885.82
Profit balance available for appropriation	**35,828.07**	**28,043.83**	**14,952.87**
Appropriations			
Dividend	-	242.73	214.40
Dividend tax	-	41.25	36.44
Balance carried forward to Balance Sheet	**35,828.07**	**27,759.85**	**14,702.03**

Consolidated summary statement of assets and liabilities, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries

(Amount Rupees in Lakhs)

	Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
A.	**Fixed Assets**			
	(i) Gross Block	1,692.12	1,564.23	1,128.85
	Less : Accumulated depreciation	407.99	330.73	193.94
	Net Block	1,284.13	1,233.50	934.91
	(ii) Capital Work In Progress / advances	556.85	186.10	271.63
	Net block	1,840.98	1,419.60	1,206.54
B.	**Intangible assets (refer Note 3 of Annexure IV)**			
	(net of amortisation)	129.39	158.17	215.75
C.	**Investments**	**23.71**	**25.12**	**39.84**
D.	**Deferred Tax Assets (net)**	**267.86**	**166.00**	**155.39**
E.	**Current assets, loans and advances**			
	(i) Inventories	12,880.91	7,858.23	7,811.81
	(ii) Sundry Debtors	33,130.22	20,823.20	16,818.08
	(iii) Cash & Bank Balances	68,405.30	59,842.88	30,723.67
	(iv) Loans and advances	6,561.84	9,854.26	2,158.41
	(v) Other current asset	662.16	142.58	17.47
		121,640.43	98,521.15	57,529.44
	A+B+C+D+E	**123,902.37**	**100,290.04**	**59,146.96**
F.	**Minority Interest**	**325.78**	**320.83**	**303.66**
G.	**Liabilities & Provisions**			
	(i) Secured Loans	37,654.23	34,506.50	10,828.83
	(ii) Unsecured Loans	2,154.91	2,716.29	2,656.69
	(iii) Current Liabilities & Provisions	32,408.75	19,758.03	15,427.39
		72,217.89	56,980.82	28,912.91
	F+G	**72,543.67**	**57,301.65**	**29,216.57**
	Net Worth (A+B+C+D+E-F-G)	**51,358.70**	**42,988.39**	**29,930.39**
G.	**Represented by :**			
	Share Capital			
	- Equity Share Capital	4,854.60	2,143.97	2,143.97
	- Preference Share Capital	-	8,000.00	8,000.00
		4,854.60	10,143.97	10,143.97
	Reserves and Surplus			
	- Securities premium account	7,208.44^	1,684.54	1,684.54#
	- Capital reserve**	3,022.28	3,022.28	3,022.28
	- Amalgamation reserve	325.59	325.59	325.59
	- Translation reserve	0.25	0.25	0.07
	- General reserve	119.47	51.91	51.91
	- Profit and loss account	35,828.07	27,759.85	14,702.03
		46,504.10	**32,844.42**	**19,786.42**
	Net worth	**51,358.70**	**42,988.39**	**29,930.39**
	* includes margin money deposit on account of security deposit against borrowings which are not readily available for other purposes.	64,937.30	56,807.58	27,919.04

THE ISSUE

Fresh Issue	1,21,36,497 Equity Shares
Offer for Sale	21,33,334 Equity Shares
Issue in terms of this Red Herring Prospectus	1,42,69,831 Equity Shares
Of which:	
1. Qualified Institutional Buyers portion	Atleast 85,61,899 Equity Shares each, constituting atleast 60% of the Issue to the public (Allocation on a proportionate basis, of which 5% shall be available for allocation to Mutual Funds only and the balance shall be available for allocation to all QIBs on a proportionate basis, including Mutual Funds.). Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portionshall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price.
2. Non Institutional Bidders portion	Not less than 14,26,983 Equity Shares constituting not less than 10% of the Issue shall be available for allocation
3. Retail Individual Bidders portion	Not less than 42,80,949 Equity Shares constituting not less than 30% of the Issue shall be available for allocation
Equity Shares outstanding prior to the Issue	4,85,45,988 Equity Shares
Equity Shares outstanding after the Issue	6,06,82,485 Equity Shares
For information on the use of the Issue proceeds, please see the section titled "Objects of the Issue" beginning on page 35 of this Red Herring Prospectus. Our Company will not receive any proceeds of the Offer for Sale.	

If at least 60% of the Issue cannot be allocated to QIBs the entire application money will be refunded. Allocation shall be made on a proportionate basis. Under subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill over from any other category or combination of categories at the sole discretion of our Company, in consultation with the Book Running Lead Managers.

GENERAL INFORMATION

We were originally incorporated as Shree Ganesh Jewellery House Private Limited on August 30, 2002. The status of our Company was changed to a public limited company pursuant to a fresh certificate of incorporation consequent to change of name on August 14, 2007. For details of incorporation and changes of name, please refer to the section titled "History and Certain Corporate Matters" beginning on page 102 of this Red Herring Prospectus

Registered Office of our Company

Shree Ganesh Jewellery House Limited,
413, Vardaan Market,
25A, Camac Street,
Kolkata – 700016, India
Tel: +91 33 2280 0345
Fax:+91 33 2283 5075
Website: www.sgjhl.com
Registration Number: 21-095086
Corporate Identification Number: U36911WB2002PLC095086

Corporate Office of our Company

Shree Ganesh Jewellery House Limited,
Avani Signature,
4th Floor, Suite No. 402,
91A/1 Park Street,
Kolkata – 700016, India
Tel: +91 33 3025 9382
Fax: +91 33 4007 1623

Address of Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal, situated at the following address:

Registrar of Companies, West Bengal
Nizam Palace,
2nd MSO Building, 2nd floor,
234/4, A.J.C. Bose Road,
Kolkata-700 020,
India.

Board of Directors

The Board of Directors comprise of:

Sr. No.	Name and designation	Age (years)	DIN	Address
1.	Mr. Nilesh Parekh *Chairman, Executive Director*	43	0050671	5/1/1B, Cornfield Road, Kolkata – 700019, India
2.	Mr. Umesh Parekh *Managing Director*	42	0050705	6A Ironside Road, Kolkata – 700 019, India

3.	Mr. Sharad Mohata *Non-executive Director*	42	01688401	35 Sir Hariram Goenka Street, Kolkata – 700 007, India
4.	Mr. Hemang Raja *Nominee of Credit Suisse PE Asia Investments (Mauritius) Limited*	51	0040769	Flat No. 4, D Wing, Carmichael Road, Mumbai – 400 026, India
5.	Mr. Pawan Singh Ingty *Independent Director*	67	01681252	DA 88, Salt Lake, Bidhan Nagar, North 24 Paraganas, Kolkata – 700 064, India
6.	Mr. Satish Chandra Chaturvedi *Independent Director*	62	00272435	24, Park Street, Kokata – 700 016, India
7.	Mr. Dwarka Prasad Mathur *Independent Director*	69	02373724	International Institute of Sustainable Development and Management, 1982, Subhash Nagar, Chandralekha, Ahmedabad – 382424, India
8.	Mr. Tushar Kanti Das *Independent Director*	68	02794679	FE – 250, Sector – 3, Salt lake, Kolkata – 700 091

For further details of our Directors, see “Our Management” on page 129 of this Red Herring Prospectus.

Company Secretary and Compliance Officer

Mr. Mukund Chandak
Avani Signature,
4th Floor, Suite No. 402,
91A/1 Park Street,
Kolkata – 700016, India
Tel: +91 33 3025 9382
Fax: +91 33 4007 1623
Email: investors@sgjhl.com

Investors may contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Book Running Lead Managers

Axis Bank Limited
Central Office,
Maker Tower ‘F’, 11th Floor,
Cuffe Parade, Colaba,
Mumbai 400 005, India
Tel: +91 22 6707 1312
Fax: +91 22 6707 1264
Email: sgjh.ipo@axisbank.com
Website: www.axisbank.com

ICICI Securities Limited
ICICI Centre,
H.T. Parekh Marg,
Churchgate,
Mumbai – 400 020, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Email: sgjhl.ipo@icicisecurities.com
Website: www.icicisecurities.com

Avendus Capital Private Limited
IL&FS Financial Center,
B Quadrant, 5th Floor,
Bandra Kurla Complex,
Bandra (East)
Mumbai — 400 051, India
Tel : +91 22 6648 0050
Fax: +91 22 6648 0040
Email:shreeganesh@avendus.com

Contact Person: Mr. Dipen Kapadia/ Mr. Amit Shah Registration No: INM000006104 Investor Grievance E-mail: axbmbd@axisbank.com	Contact person: Mr. Mayank Lunawat Registration No: INM000011179 Investor Grievance E-mail: customercare@icicisecurities.com	Website: www.avendus.com. Contact person: Ms. Rashi Malik Registration No: INM000011021 Investor Grievance E-mail: investorgrievance@avendus.com

Legal Counsel to the Issue

Khaitan & Co.
One Indiabulls Centre, 13th Floor,
841 Senapati Bapat Marg,
Elphinstone Road,
Mumbai – 400 013
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050
Email: capitalmarkets@khaitanco.com

Syndicate Members

Enam Securities Private Limited 801, Dalamal Towers, Nariman Point, Mumbai – 400 021, Maharashtra, India. Tel: + 91 22 6638 1800 Fax: + 91 22 2284 6824 E-mail: complaints@enam.com Website: www.enam.com	***Ashika Stock Broking Limited*** 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai – 400 021 Tel: +91 22 6611 1706 Fax: +91 22 6611 1710 Email:ipo@ashikagroup.com Website:www.ashikadirect.com	***Prabhudas Lilladhar Private Limited*** 3rd Floor, Sadhana House, 570, P. B. Marg, Behind Mahindra House, Worli, Mumbai – 400 018 Tel: +91 22 6632 2222 Fax: +91 22 6632 2229 Email: contact@plindia.com Website:www.plindia.com
Reliance Securities Limited 4th Floor, Parijat House, 1076, Off Dr. E. Moses Road, Manjrekar Lane, Worli Naka, Mumbai 400 018, India Tel. +91 22 3046 2300 Fax: +91 22 3046 2323 E-mail: jithesh.narayanan@relianceada.com Website: www.reliancemoney.com		

Advisors to the Company

Ashika Capital Limited
1008, 10th Floor, Raheja Center,
214, Nariman Point,
Mumbai – 400 021
Tel: +91 22 6611 1706
Fax: +91 22 6611 1710
Email:mbd@ashikagroup.com

IPO Grading Agency

This Issue has been graded by Credit Analysis and Research Limited as "Care IPO Grade 3", indicating "Average Fundamentals". The rationale furnished by the grading agency for its grading is as follows:

"The above grading draws strength from rich experience of the promoters with satisfactory track record, established brand name, internationally accepted designs with strong presence in overseas markets, strong skill craftsmen base, strategic location of manufacturing units at Special Economic Zone (enjoying various tax holidays), significant growth in revenue and profit, comfortable profitability and financial position (including high level of return on net worth) and high entry barrier in the gold jewellery market. Company's having got the status of a 'nominated agency' by Government of India (GoI) to import gold directly and the presence of experienced professionals in the Board of Directors of the Company also support the grading. The grading is however, constrained by the Company's concentration on single product, concentration of sales in Middle East, high overall gearing ratio, low margin business, risks associated with implementation of proposed projects, dominance of unorganized sector players in domestic jewellery market, seasonality of demand and slow recovery of economy after severe slowdown"

The report of the grading agency has been annexed to this Red Herring Prospectus.

Registrar to the Issue

Link Intime India Private Limited
C- 13 Kantilal Maganlal Industrial Estate,
(Pannalal Silk Mills Compound),
LBS Marg, Bhandup (West),
Mumbai – 400 078, India
Tel: +91 22 2596 0320
Fax: +91 22 2596 0329
Email: sgjhl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
Registration No: INR000004068

Bankers to the Issue and Escrow Collection Banks

Axis Bank Limited
Mukti Chambers, Ground Floor,
4, Clive Row,
Kolkata – 700 001
Tel: +91 33 2242 0074
Fax: +91 33 2242 0076
Email:dalhousie.operationshead@axisbank.com

ICICI Bank Limited
Capital Market Division,
30, Mumbai Samachar Marg,
Fort, Mumbai – 400 001
Tel: +91 22 2262 7600
Fax: +91 22 2261 1138
Email:viral.bharani@icicibank.com

Standard Chartered Bank
270 D N Road,
Fort, Mumbai – 400 001
Tel: +91 22 2268 3955
Fax: +91 22 2209 6067
Email: joseph.george@sc.com

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

Refund Banker

Axis Bank Limited
Dalhousie Square Branch,
Mukti Chambers, Ground Floor,
4, Clive Row,
Kolkata – 700 001
Tel: +91 33 2242 0074
Fax: +91 33 2242 0076
Email: dalhousie.operationshead@axisbank.com

Bankers to our Company

Allahabad Bank Industrial Finance Branch, 17 R N Mukherjee Road, Kolkata – 700 001 Tel.: +91 33 2231 1007 Fax: +91 33 2213 1004 Email: br.ifbkolkata@allahabadbank.in Contact person: Mr. Pawan Kumar	***Axis Bank Limited*** Dalhousie Square Branch, 4 Clive Road, Kolkata – 700 001 Tel.: +91 33 2230 3707 Fax: +91 33 2242 0076 Email: sumit.goswami@axisbank.com Contact person: Mr. Sumit Goswami	***Bank of Baroda*** International Business Branch, 4 India Exchange Place, Kolkata – 700 001 Tel.: +91 33 2242 2694 Fax: +91 33 2242 4387 Email: intcal@bankofbaroda.com Contact person: Mr. D Narayanan
Bank of India Kolkata Overseas Branch, 23B N S Road, Kolkata – 700 001 Tel.: +91 33 2230 2301 Fax: +91 33 2230 4086 Email: boicalov@vsnl.net Contact person: Mr. S. S. Gokarn	***Bank of Maharashtra*** NS Road Branch, 3 NS Road, Kolkata – 700 001 Tel.: +91 33 2213 1075 Fax: +91 33 2248 4897 Email: bomnscal@cal2.vsnl.net.in Contact person: Mr. S K Nayak	***Corporation Bank*** Braboune Road Branch, 17 Braboune Road, Kolkata – 700 001 Tel.: +91 33 2231 1063 Fax: +91 33 2242 5083 Email: cb0052@corpbank.co.in Contact person: Mr. H N Sahu
Exim Bank 1/1 Wood Street, Kolkata – 700 017 Tel.: +91 33 2289 1729 Fax: +91 33 2289 1727 Email: saumar@eximbankindia.in Contact person: Mr. Soumar Sonowal	***IDBI Bank*** 44, Shakespeare Sarani, Kolkata – 700 017 Tel.: +91 33 6633 7724 Fax: +91 33 2290 5094 Email: subroto.mondal@idbi.co.in Contact person: Mr. Subroto Mondal	***Indusind Bank*** Savitri Tower, 3A, Upper Wood Street, Kolkata – 700 017 Tel.: +91 33 3021 2400 Fax: +91 33 2289 6206 Email: pradip.bhattacharya@indusind.com Contact person: Mr. Pradip Bhattacharya
Karnataka Bank Limited Park Street Branch, 1 Sarojini Naidu Sarani, Kolkata – 700 016 Tel.: +91 33 2283 1619 Fax: +91 33 2283 1612 Email: calcutta@ktkbank.com Contact person: Mr. Pai	***Punjab National Bank*** International Banking Branch, 31 J L Nehru Road, Kolkata – 700 16 Tel.: +91 33 2246 8059 Fax: +91 33 2217 1375 Email: bo2186@pnb.co.in Contact person: Mr. S Bhattacharya	***Standard Chartered Bank*** 19 N S Road, Kolkata – 700 001 Tel.: +91 33 2222 0216 Fax: +91 33 2231 1196 Email: subhendu.roy@in.standardchartered.com Contact person: Mr. Subhendu Roy
State Bank of India Industrial Finance Branch, 11 Dr. U N Brahmachari Street, Kolkata – 700 017 Tel.: +91 33 2287 7607 Fax: +91 33 2287 9314 Email: gopal.poddar@sbi.co,in Contact person: Mr. Gopal Poddar	***Syndicate Bank*** Large Corporate Branch, 1 Brabourne Road, Kolkata – 700 001 Tel.: +91 33 2231 3676 Fax: +91 33 2231 3675 Email: sksharmasybklcbkol@gmail.com Contact person: Mr. S K Sharma	***UCO Bank*** India Exchange Place Branch, 2 India Exchange Place, Kolkata – 700 001 Tel.: +91 33 2231 1045 Fax: +91 33 2230 9613 Email: bomcuiep@ucobank.co.in Contact person: Mr. Hazari

United Bank of India Kolkata Branch, 4 N C Dutta Sarani, Kolkata – 700 001 Tel.: +91 33 2230 8460 Fax: +91 33 2230 0842 Email: gmcals@unitedbank.co.in Contact person: Mr. Salil Chatterjee	***Yes Bank Limited*** 19, Camac Street, 1 Brabourne Road, Kolkata – 700 017 Tel.: +91 33 3987 9000 Fax: +91 33 3987 9124 Email: sumit.lahoti@yesbank.in Contact person: Mr. Sumit Lahoti	***ICICI Bank*** 2B, Gorky Terrace, Kolkata - 700 017 Tel: +91 33 4402 5300 Fax: +91 33 2283 2613 Email: sumit.gothi@icicibank.com Contact person: Mr. Sumit Gothi
State Bank of Bikaner and Jaipur Park Street Branch 20B, Park Street, Kolkata - 700 016 Tel: +91 33 2249 7554 Fax: +91 33 2227 0632 Email:10604@sbbj.co.in Contact person: Mr. R.K.Garg	***State Bank of Hyderabad*** Brabourne Road Branch 32A, Brabourne Road, Kolkata - 700 001 Tel: +91 33 2235 0155 Fax: +91 33 2221 5738 Email: sbhbrrd@cal.vsnl.net.in Contact person: Mr. Narendra Babu	***Andhra Bank*** Kolkata Main Branch, 14/1B, Ezra Street, Kolkata - 700 070 Tel: +91 33 2235 0352 Fax: +91 33 2221 5654 Email: smacal070@andhrabank.co.in Contact person: Sanjoy Ghosh
State Bank of Mysore Bentick Street Branch, 1 & 2, Old Court House Corner, Tobacco House, Kolkata - 700 001 Tel: +91 33 2230 0991 Fax: +91 33 2242 0744 Email: bentickstreet@sbm.co.in Contact person: Mr. Bhaskar Charaborty		

Statutory Auditors of our Company

BSR & Associates
Infinity Benchmark,
Plot No. G1, 10th Floor,
Block EP and GP,
Sector V, Salt Lake City,
Kolkata – 700 091, India
Tel: + 91 33 4403 4000
Fax: +91 33 4403 4199
Email: seemamohnot@kpmg.com
Contact Person: Ms. Seema Mohnot

Tax Auditors of our Company

J. K. Chanda and Associates
Chartered Accountants,
800/B, Lake Town,
Block-A,
Kolkata-700 089
Tel: + 91 98302 24233
Fax: +91 33 2227 7567
Email: jayantakchanda@hotmail.com
Contact Person: Mr. J. K. Chanda

Monitoring Agency

There is no requirement for a monitoring agency in terms of Regulation 16 of the SEBI ICDR as the Fresh Issue portion is less than Rs 500 crores. The Audit Committee appointed by our Board of Directors will monitor the utilization of the Issue proceeds.

Inter Se Allocation of Responsibilities between the BRLMs

The following table sets forth the inter se allocation of responsibilities for various activities among the BRLMs for the Issue:

Activity	Responsibility	Responsibility	Co-ordination
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	Axis, I-Sec, Avendus	Axis
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing	Axis, I-Sec, Avendus	Axis
3.	Drafting and approval of all statutory advertisement	Axis, I-Sec, Avendus	Axis
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	Axis, I-Sec, Avendus	Axis
5.	Appointment of other intermediaries viz., Registrar(s), Printers, Advertising Agency and Bankers to the Issue	Axis, I-Sec, Avendus	Axis
6.	Preparation of road show presentation	Axis, I-Sec, Avendus	I-Sec
7.	International Institutional Marketing strategy • Finalise the list and division of investors for one to one meetings, in consultation with our Company, and • Finalizing the International road show schedule and investor meeting schedules	Axis, I-Sec, Avendus	Avendus
8.	Domestic institutions / banks / mutual funds marketing strategy • Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with our Company • Finalizing the list and division of investors for one to one meetings, and • Finalizing investor meeting schedules	Axis, I-Sec, Avendus	I-Sec
9.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalise Media & PR strategy • Finalising centers for holding conferences for press and brokers • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material	Axis, I-Sec, Avendus	I-Sec

Activity	Responsibility	Responsibility	Co-ordination
	• Finalize collection centers		
10.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading	Axis, I-Sec, Avendus	Axis
11.	Finalisation of Pricing, in consultation with our Company	Axis, I-Sec, Avendus	Axis
12.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Issue activities for the Issue involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company. In case of under-subscription in the Issue, responsibility for underwriting arrangements, invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued in terms of the SEBI ICDR	Axis, I-Sec, Avendus	Avendus

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Project Appraisal

The Projects have not been appraised by any appraising entity.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- The Selling Shareholder;
- the BRLMs;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- Registrar to the Issue;
- Escrow Collection Banks;
- SCSBs.

In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portionshall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In accordance with the SEBI ICDR, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis provided QIBs that are Anchor Investors are required to pay 25% of the Bid amount at the time of submission of the Bid and balance amount within two days of the Bid closing. For further details, see section "Terms of the Issue" on page 342 of this Red Herring Prospectus.

Our Company and the Selling Shareholder will comply with the SEBI ICDR and any other ancillary directions issued by SEBI for this Issue. In this regard, we have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The process of Book Building under the SEBI ICDR is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue.)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. Our Company, in consultation with the Book Running Lead Managers, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (see "Issue Procedure – Who Can Bid?" on page 347 of this Red Herring Prospectus);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form and (see "Issue Procedure – PAN" on page 367 of this Red Herring Prospectus):

4. Ensure that the Bid cum Application Form or ASBA Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their ASBA is not rejected; and

6. Bids by QIBs will only have to be submitted to the BRLMs and/or their affiliates.

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Issue, within two days of the the Bid/Issue Closing Date but before the Allotment. In such an event, the Company and the Selling Shareholders shall give reasons thereof in a public notice within two days of the Bid/Issue Closing Date in the same newspaper in which the pre-Issue advertisement had appeared. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/Issue Programme

BID/ISSUE OPENS ON	FRIDAY, MARCH 19, 2010
BID/ISSUE CLOSES ON	TUESDAY, MARCH 23, 2010

** Bidding for Anchor Investors, if any, shall open one day prior to the Bid/ Issue Opening Date*

Bids and any revision in Bids shall be accepted only between **10.00 a.m. and 3.00 p.m. (Indian Standard Time)** during the Bid/Issue Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) 5.00 p.m. in case of Bids by Retail Individual Investors which may be extended to such time as may be permitted by BSE and NSE. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are requested to note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, our Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the SCSBs will not be responsible. Bids will be accepted only on Business Days. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR provided that the revised cap of the price band should not be more than 20% of the revised floor of the band; i.e revised cap of the Price Band shall be less than or equal to 120% of the revised floor of the price band. The Floor Price can be revised up or down to a maximum of 20% of the original Floor Price and shall be advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE and to the SCSBs, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified there in.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In lacs)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In lacs)
Axis Bank Limited Central Office, Maker Tower 'F', 11th Floor, Cuffe Parade, Colaba, Mumbai 400 005, India Tel : +91 22 6707 1312 Fax : +91 22 6707 1264 Email: sgjh.ipo@axisbank.com Website: www.axisbank.com	[●]	[●]
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: sgjhl.ipo@icicisecurities.com Website: www.icicisecurities.com	[●]	[●]
Avendus Capital Private Limited IL&FS Financial Center, B Quadrant, 5th Floor, Bandra Kurla Complex, Bandra (East) Mumbai — 400 051, India Tel : +91 22 6648 0050 Fax: +91 22 6648 0040 Email: shreeganesh@avendus.com Website: www.avendus.com	[●]	[●]
Enam Securities Private Limited 801, Dalamal Towers, Nariman Point, Mumbai – 400 021, Maharashtra, India. Tel: + 91 22 6638 1800 Fax: + 91 22 2284 6824 E-mail: complaints@enam.com Website: www.enam.com	[●]	[●]
Ashika Stock Broking Limited 1008 Raheja Center, 10^{th} Floor, 214, Nariman Point, Mumbai – 400 021 Tel: +91 22 6611 1700 Fax: +91 22 6611 1710 Email:mbd@ashikagroup.com Website:www.ashikagroup.com	[●]	[●]
Prabhudas Lilladhar Private Limited 3^{rd} Floor, Sadhana House, 570, P. B. Marg, Behind Mahindra House, Worli, Mumbai – 400 018 Tel: +91 22 6632 2222 Fax: +91 22 6632 2229 Email: contact@plindia.com Website:www.plindia.com	[●]	[●]

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In lacs)
Reliance Securities Limited 4th Floor, Parijat House, 1076, Off Dr. E. Moses Road, Manjrekar Lane, Worli Naka, Mumbai 400 018, India Tel. +91 22 3046 2300 Fax: +91 22 3046 2323 E-mail: jithesh.narayanan@relianceada.com Website: www.reliancemoney.com	[●]	[●]

The above-mentioned is indicative underwriting and this will be finalized after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●] and the Selling Shareholder, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above with the Underwriters.

Notwithstanding the above table, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

Our share capital as of the date of this Red Herring Prospectus is set forth below:

(Rs. in lacs)

	Particulars	Aggregate Nominal Value	Aggregate value at Issue Price
A	**Authorised Capital**		
	7,00,00,000 Equity Shares	7,000	
	26,66,667 Cumulative Convertible Preference Shares of Rs 300 each	8,000	
B	**Issued, Subscribed and Paid Up Capital before the Issue**		
	4,85,45,988 Equity Shares	4,854.60	
C	**Present Issue in terms of this Red Herring Prospectus**		
	1,42,69,831 Equity Shares	1,426.98	[●]
	Comprising of		
	1,21,36,497 Equity Shares offered by our Company as the Fresh Issue	1,213.65	[●]
	21,33,334 Equity Shares are offered by way of Offer for Sale*	213.33	[●]
D	**Out of the present Issue:**		
	Qualified Institutional Buyers portion – Atleast 85,61,899 Equity Shares shall be available for allocation	856.19	[●]
	Non-Institutional Bidders portion – Not less than 14,26,983 Equity Shares shall be available for allocation	142.70	[●]
	Retail Individual Bidders portion – Not less than 42,80,949 Equity Shares shall be available for allocation	428.10	[●]
E	**Paid Up Equity Capital after the Issue**		
	6,06,82,485 Equity Shares	6,068.25	[●]
F	**Share Premium Account**		
	Before the Issue	7,208.44	
	After the Issue	[●]	

**The 21,33,334 Equity Shares forming part of the Offer for Sale have been held by the Selling Shareholder for a period of more than one year from the date of filing of the Draft Red Herring Prospectus dated September 29, 2009 (the holding period of one year has been calculated in terms of Regulation 26 (6) of the SEBI ICDR).*

History of change in authorized share capital of our Company

Changes in Authorised Share Capital

Date of Shareholder's Resolution	Increase in authorised capital (Number of shares)	Authorized Share Capital (Rs.)
At incorporation	-	25,00,000
March 3, 2003	3,50,000 Equity Shares	60,00,000
December 28, 2005	2,00,000 Equity Shares	80,00,000
November 27, 2006	2,42,00,000 Equity Shares	25,00,00,000
June 11, 2007	1,00,00,000 Equity Shares	35,00,00,000
March 7, 2008	26,66,667 Cumulative Convertible Preference Shares of Rs 300 each	1,15,00,00,100
September 23, 2009	3,50,00,000	1,50,00,00,100

Notes to Capital Structure

Share Capital History of our Company

1. Equity Share Capital History of Our Company

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
Incorporation of our Company on August 30, 2002	12,000	10	10	Cash	Allotment to the initial subscribers to the Memorandum. Allotment of 4,000 Equity Shares each to Mr. Nilesh Parekh, Mr. Umesh Parekh and Mr. Kamlesh Parekh	12,000	120,000	--
October 1, 2003	3,86,000	10	25	Consideration other than cash	Allotment to Mr. Kamlesh Parekh as consideration of takeover of Shree Ganesh Jewellery, a proprietary firm	398,000	3,980,000	5,790,000
October 1, 2003	45,540	10	24.90	Cash	Preferential allotment of 33,200 Equity Shares to Mr. Kamlesh Parekh, 12,040 Equity Shares to Ms. Kokila P Sanghavi and 100 Equity Shares each to Mr. P K Sanghavi, Ms Sumona Parekh and Ms. Kumud Parekh	443,540	4,435,400	6,468,600
December 30, 2005	2,72,800	10	10	Cash	Preferential issue of 1,20,000 Equity Shares to Mr. Umesh Parekh, 50,000 Equity Shares to Mr. Nilesh Parekh, 25,150 Equity Shares to Ms. Kumud Parekh, 7,500 Equity Shares to Mr. P K Sanghavi, 50,150 Equity Shares to Ms. Sumona Parekh and 20,000 Equity Shares to Umesh Parekh (HUF)	716,340	7,163,400	6,468,600
December 30, 2005	68,670	10	100	Cash	Preferential issue of 24,750 Equity Shares to Shree Kamla Stores Private Limited, 20,920 Equity Shares to Deokinandan	785,010	7,850,100	12,648,900

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid up Capital (Rs.)	Cumulative Share Premium (Rs.)
					Birendra Kumar Private Limited, 12,000 Equity Shares to Abhishek Capital Services Private Limited, 7,000 Equity Shares to Abhishek Stock Broking Services Private Limited and 4,000 Equity Shares to Far East Software Services Private Limited			
November 27, 2006	1,17,75,150	10	NA	Consideration other than cash	Issued as bonus shares in the ratio of 15 Equity Shares for every one Equity Share held in our Company	1,25,60,160	12,56,01,600	-
April 20, 2007	88,79,500	10	NA	Consideration other than cash	Pursuant to scheme of amalgamation. Allotment of 2,071,350 Equity Shares to Mr. Nilesh Parekh, 1,775,250 Equity Shares to Mr. Umesh Parekh, 858,400 Equity Shares to Ms. Kumud Parekh, 1,507,000 Equity Shares to Umesh Parekh (HUF), 687, 800 Equity Shares to Ms. Ratna Nilesh Parekh, 502,500 Equity Shares to Mr. Karan Parekh and 1,477,200 Equity Shares to Nilesh Parekh (HUF)	21,439,660	21,43,96,600	19,23,75,0001
Uitlisation of Rs. 2,39,21,216 for adjusting share issue expenses for the private equity investment by Credit Suisse PE Asia Investments (Mauritius) Limited. The share premium account pursuant this adjustment stood at Rs. 16,84,53,784.								
March 28, 2008	1	10	300	Cash	Conversion of 1 Compulsorily Convertible Preference Shares by Credit Suisse PE Asia Investments (Mauritius) Limited	2,14,39,661	21,43,96,610	16,84,54,074
August 11, 2009	1,66,667	10	300	Cash	Conversion of 50,00,000, 0% fully convertible debentures by Bennett, Coleman & Co. Limited	2,16,06,328	21,60,63,280	21,67,87,404
August 28, 2009	26,66,666	10	300	Cash	Conversion of 26,66,666 Compulsorily Convertible Preference Shares by Credit Suisse PE Asia Investments (Mauritius) Limited	2,42,72,994	24,27,29,940	99,01,20,844
September 23, 2009	2,42,72,994	10	NA	Consideration other than cash	Bonus issue in the ratio of 1:1 to the existing shareholder of our Company	4,85,45,988	48,54,59,880	74,73,90,904*
						Rs. 2,65,46,000 utilised for share issue expenses		
Total						**4,85,45,988**	**48,54,59,880**	**72,08,44,904**

The share premium of Doyen Traders and Properties Privates Limited, Shree Gajanand Jewellers Private Limited, Pitty Fincon Services Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited and Creative Jewels (India) Private Limited, six of our Group Companies, which were merged with our Company pursuant to an order of the Hon'ble High Court at Calcutta on March 1, 2007, was added to our share premium. Consequently, the amount of Rs. 19,23,75,000 was added to our share premium. For more information on the Scheme of Amalgamation, please refer to page 123 of this Red Herring Prospectus. The cumulative share premium of our Company as on date of this Red Herring Prospectus is Rs. 72,08,44,904.

**The share premium account decreased as a result of issuance of Equity Shares as a bonus in the ratio of 1:1*

Except for the allotment of Equity Shares on October 1, 2003, November 27, 2006, April 20, 2007 and September 23, 2009, as referred to hereinabove, our Company has not issued any shares for consideration other than cash.

2. Promoters Contribution and Lock-in

A. History of Equity Shares held by the Promoters

The Equity Shares held by the Promoters were acquired/ allotted in the following manner:

Sr. No.	Date of Allotment/ Transfer	Allotment/ Transfer	Nature of consideration	No. of Equity Shares	Face Value	Issue/Acquisition Price (Rs.)	Number and percentage of pledged Equity Shares
Mr. Nilesh Parekh							
1.	August 30, 2002	Subscribers to the Memorandum	Cash	4,000	10	10	NA
2.	December 30, 2005	Allotment	Cash	50,000	10	10	NA
3.	June 27, 2006	Transfer	Cash	12,250	10	15	NA
4.	November 27, 2006	Allotment	Consideration other than cash	9,93,750	10	10	NA
5.	February 26, 2007	Transfer	Consideration other than cash	33,85,600	10	NA	NA
6.	April 20, 2007	Allotment	Consideration other than cash	20,71,350	10	NA	NA
7.	September 16, 2008	(Transfer)	Consideration other than cash	(20,71,350)	10	NA	NA
8.	September 23, 2009	Bonus Issue	Consideration other than cash	44,45,600	10	NA	NA
		Total (A)				**88,91,200**	
Mr. Umesh Parekh							
1.	August 30, 2002	Subscribers to the Memorandum	Cash	4,000	10	10	NA
2.	December 30, 2005	Allotment	Cash	1,20,000	10	10	NA
3.	May 27, 2006	Transfer	Cash	4,000	10	15	NA
4.	November 27, 2006	Allotment	Consideration other than cash	19,20,000	10	10	NA
5.	February 26, 2007	Transfer	Consideration other than cash	33,85,600	10	NA	NA
6.	April 20, 2007	Allotment	Consideration other than cash	17,75,250	10	NA	NA
7.	September 16, 2008	(Transfer)	Consideration other than cash	(24,71,200)	10	NA	NA
8.	September 23, 2009	Bonus Issue	Consideration other than cash	47,37,650	10	NA	NA
9.		Total (B)				**94,75,300**	
	Total Promoter holding (A + B)					**1,83,66,500**	

As of date of this Red Herring Prospectus, none of the Equity Shares held by the Promoters are subject to any pledge.

B. Details of Promoters contribution locked in for three years

All Equity Shares which are being locked-in are eligible for computation of promoters' contribution under Clause 4.6 of the SEBI ICDR.

Pursuant to the SEBI ICDR, an aggregate of 20% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment of Equity Shares in the Issue. The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the Promoters.

The details of such lock-in are set forth in the table below:

Sr. No.	Date of Allotment/Transfer	Nature of consideration	No. of Equity Shares locked in	Face Value	Issue/Acquisition Price (Rs.)	Percentage of Post-Issue Paid-up Capital (%)
Mr. Umesh Parekh						
1.	September 23, 2009	Bonus Issue	47,37,650	10	NA	7.81
2.	April 20, 2007	Consideration other than cash	13,30,599	10	NA	2.19
			60,68,249			**10.00**
Mr. Nilesh Parekh						
1.	September 23, 2009	Bonus Issue	44,45,600	10	NA	7.33
2.	April 20, 2007	Consideration other than cash	16,22,649	10	NA	2.67
			60,68,249			**10.00**
	Total		**1,21,36,498**			**20.00**

C. Details of share capital locked in for one year

In terms of Regulation 36 of the SEBI ICDR, in addition to 20% of the post-Issue shareholding of our Company held by the Promoters and locked in for three years as specified above, the entire pre-Issue share capital of our Company, that is 3,42,76,156 Equity Shares, but excluding Equity Shares forming part of the Offer for Sale constituting 21,33,334 Equity Shares, will be locked in for a period of one year from the date of Allotment in this Issue, except as provided below.

D. Other Requirements in respect of lock-in

The Equity Shares which are subject to lock-in for three years shall not be disposed/ sold/ transferred by our Promoters to any person whatsoever from the date of filing of this Red Herring Prospectus till three years from the Allotment of the Equity Shares in the Issue, in terms with Regulation 8(2)(e) read with the provisions of Form D (1b) of the SEBI ICDR.

In terms of Regulation 39 of the SEBI ICDR, locked-in Equity Shares of our Company held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan. Further, the Equity Shares constituting 20% of the fully diluted post-Issue capital of our Company held by the Promoters that are locked in for a period of three years from the date of Allotment of Equity Shares in the Issue, may be pledged only if, in addition to complying with the aforesaid conditions, the loan has been granted by the banks or financial institutions for the purpose of financing one or more objects of the Issue.

In terms of Regulation 40 of the SEBI ICDR, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 36 of the SEBI ICDR, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of Regulation 40 of the SEBI ICDR, Equity Shares held by the Promoter may be transferred to and among the Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI ICDR, as amended from time to time.

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI ICDR.

3. Shareholders of our Company

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

(Equity Shares of face value Rs.10 each)

Category of Shareholder	Number of shareholders	Total number of Equity Shares (pre-Issue)	Total shareholding as a percentage of total number of Equity Shares (pre-Issue)	Total number of Equity Shares (post-Issue)	Total shareholding as a percentage of total number of Equity Shares (post-Issue)
Promoters and Promoter Group (Indian)					
Individuals/ Hindu Undivided Family	8	4,28,79,320	88.32	4,28,79,320	70.66
Details:					
Mr. Umesh Parekh		94,75,300	19.52	94,75,300	15.61
Mr. Nilesh Parekh		88,91,200	18.32	88,91,200	14.65
Mr. Kamlesh Parekh		90,85,100	18.71	90,85,100	14.97
Umesh Parekh HUF		55,82,000	11.50	55,82,000	9.20
Nilesh Parekh HUF		36,46,880	7.51	36,46,880	6.01
Ms Kumud Parekh		31,94,240	6.58	31,94,240	5.26
Ms Ratna Nilesh Parekh		19,83,600	4.09	19,83,600	3.27
Mr. Karan Parekh		10,21,000	2.10	10,21,000	1.68
Central Government/ State Government(s)	0	0	0.00	0	0.00
Bodies Corporate	0	0	0.000	0	0.000
Financial Institutions/ Bank	0	0	0.000	0	0.000
Any other (specify)	0	0	0.000	0	0.000
Sub-Total(A)(1)	**8**	**4,28,79,320**	**88.33**	**4,28,79,320**	**70.66**
Foreign					
Individuals (non-Resident Individuals/ Foreign Individuals)	0	0	0.000	0	0.000
Bodies Corporate	0	0	0.000	0	0.000
Institutions	0	0	0.000	0	0.000
Any other (specify)	0	0	0.000	0	0.000
Sub-Total(A)(2)	**0**	**0**	**0.000**	**0**	**0.000**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	**8**	**4,28,79,320**	**88.33**	**4,28,79,320**	**70.66**
Public Shareholding					
Institutions					
Mutual Funds/ UTI	0	0	0.000	0	0.000
Financial Institutions/ Bank	0	0	0.000	0	0.000

Category of Shareholder	**Number of shareholders**	**Total number of Equity Shares (pre-Issue)**	**Total shareholding as a percentage of total number of Equity Shares (pre-Issue)**	**Total number of Equity Shares (post-Issue)**	**Total shareholding as a percentage of total number of Equity Shares (post-Issue)**
Central Government/ State Government(s)	0	0	0.000	0	0.000
Venture Capital Fund	0	0	0.000	0	0.000
Insurance Companies	0	0	0.000	0	0.000
Foreign Institutional Investors	1	53,33,334	10.99	32,00,000*	5.27*
Foreign Venture Capital Investors	0	0	0.000	0	0.000
Any other (specify)	0	0	0.000	0	0.000
Sub-Total(B)(1)	**1**	**53,33,334**	**10.99**	**32,00,000***	**5.27***
Non-Instiutions					
Bodies Corporate	1	3,33,334	0.69	3,33,334*	0.55*
Individuals - i. Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0.000	0	0.000
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	0	0	0.000	0	0.000
N.R. Holding	0	0	0.000	0	0.000
Sub-Total(B)(2)	**1**	**3,33,334**	**0.69**	**3,33,334***	**0.55***
Total Public Shareholding (B)=(B)(1)+(B)(2)	**2**	**56,66,668**	**11.67**	**35,33,334***	**5.82***
Equity Shares offered through the Issue (C)				**1,42,69,831**	**23.52**
Grand Total: (A)+(B)+(C)	**10**	**4,85,45,988**	**100.00**	**6,06,82,485**	**100.00**

**The post-Issue paid up shareholding in respect of Credit Suisse PE Asia Investments (Mauritius) Limited and Bennett, Coleman & Co. Limited shall undergo a change in the event that they subscribe for and are allotted Equity Shares in the Issue*

4. Equity Shares held by top ten shareholders

A. Top ten shareholders on the date of filing this Red Herring Prospectus with SEBI:

S. No.	**Shareholder**	**No. of Equity Shares held**	**Percentage (%)**
1.	Mr. Umesh Parekh	94,75,300	19.52
2.	Mr. Nilesh Parekh	88,91,200	18.32
3.	Mr. Kamlesh Parekh	90,85,100	18.71
4.	Umesh Parekh HUF	55,82,000	11.50
5.	Credit Suisse PE Asia Investments (Mauritius) Limited	53,33,334	10.99
6.	Nilesh Parekh HUF	36,46,880	7.51
7.	Ms Kumud Parekh	31,94,240	6.58
8.	Ms Ratna Nilesh Parekh	19,83,600	4.09
9.	Mr. Karan Parekh	10,21,000	2.10
10.	Bennett, Coleman & Co. Limited	3,33,334	0.69
	Total	**4,85,45,988**	**100.00**

B. Top ten shareholders ten days prior to the date of filing this Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage (%)
1.	Mr. Umesh Parekh	47,37,650	19.52
2.	Mr. Nilesh Parekh	44,45,600	18.32
3.	Mr. Kamlesh Parekh	45,42,550	18.71
4.	Umesh Parekh HUF	27,91,000	11.50
5.	Credit Suisse PE Asia Investments (Mauritius) Limited	26,66,667	10.99
6.	Nilesh Parekh HUF	18,23,440	7.51
7.	Ms Kumud Parekh	15,97,120	6.58
8.	Ms Ratna Nilesh Parekh	9,91,800	4.09
9.	Mr. Karan Parekh	5,10,500	2.10
10.	Bennett, Coleman & Co. Limited	1,66,667	0.69
	Total	**2,42,72,994**	**100.00**

C. Two years prior to the date of filing this Red Herring Prospectus with SEBI:

S. No.	Shareholder	No. of Equity Shares held	Percentage (%)
1.	Mr. Umesh Parekh	72,08,850	33.62
2.	Mr. Nilesh Parekh	65,16,950	30.40
3.	Umesh Parekh HUF	27,91,000	13.02
4.	Nilesh Parekh HUF	18,23,440	8.51
5.	Mrs. Kumud Parekh	15,97,120	7.45
6.	Mrs. Ratna Nilesh Parekh	9,91,800	4.63
7.	Mr. Karan Parekh	5,10,500	2.38
	Total	**2,14,39,660**	**100.00**

5. Neither we nor our Directors or the Promoters or our Promoter Group or the respective directors of our Group Companies or the BRLMs have entered into any buyback and/or standby arrangements for the purchase of Equity Shares from any person.

6. Our Company has not granted any stock options to any of our employees as on date of this Red Herring Prospectus.

7. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum Bid size in this issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which the post-Issue paid up capital after the issue would also increase by the excess amount of allotments so made. In such an event, the Equity Shares held by the promoters and subject to lock-in shall be suitably increased so as to ensure that 20% of the post-Issue paid up capital is locked-in.

8. Atleast 60% of the Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on

a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price.Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of our Company and the BRLMs in consultation with the Designated Stock Exchange. If atleast 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded fortwith.

9. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with RoC until the Equity Shares to be issued pursuant to the Issue have been listed.

10. There shall be only one denomination of the equity shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

11. We have not raised any bridge loans against the proceeds of the Issue.

12. We have not issued any equity shares for consideration other than cash except the following:

Date of Allotment	No. of Equity Shares	Issue Price (Rs.)	Nature of Allotment
October 1, 2003	3,86,000	25	Allotment to Mr. Kamlesh Parekh as consideration of takeover of Shree Ganesh Jewellery, a proprietary firm
November 27, 2006	1,17,75,150	NA	Bonus issue of 15 Equity Shares for every Equity Share held by the existing shareholders in our Company
April 20, 2007	88,79,500	NA	Pursuant to scheme of amalgamation of six of our group companies, namely, Doyen Traders and Properties Privates Limited, Shree Gajanand Jewellers Private Limited, Pitty Fincon Services Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited and Creative Jewels (India) Private Limited
September 23, 2009	2,42,72,994	NA	Bonus issue of Equity Shares in the ratio of 1:1 to the existing equity shareholders of our Company

13. There are no outstanding financial instruments, such as warrants, options or other convertible instruments or any rights, which would entitle our Promoters or any of the shareholders any option to acquire any Equity Shares.

14. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/Issue opening date by way of split or consolidation of the denomination of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable for, directly or indirectly, for Equity Shares) whether preferential or otherwise. However, during such period or at a later date, we may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture by us or as consideration for such acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in our best interests.

15. Pursuant to a scheme of amalgamation under section 391(1) and 393 of the Companies Act, six of our subsidiaries viz. Doyen Traders and Properties Private Limited, Shree Gajanand Jewellers Private Limited, Pitty Fincon Service Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited, Creative Jewels (India) Private Limited were merged with our Company. Pursuant to the said merger, allotment of 2,071,350 Equity Shares was made to Mr. Nilesh Parekh, 1,775,250 Equity Shares to Mr. Umesh Parekh, 858,400 Equity Shares to Ms. Kumud Parekh, 1,507,000 Equity Shares to Umesh Parekh (HUF), 687, 800 Equity Shares to Ms. Ratna Nilesh Parekh, 502,500 Equity Shares to Mr. Karan Parekh and 1,477,200 Equity Shares to Nilesh Parekh (HUF). For further details, please see "History and Certain Corporate Matters" on page 102 of this Red Herring Prospectus.

16. Except as disclosed in the section titled "Our Management" beginning on page 129 of this Red Herring Prospectus, none of our directors or key managerial personnel holds any Equity Shares.

17. Our Promoters, members of the Promoter Group, the Directors and the immediate relatives of the Directors have not undertaken any transactions in the Equity Shares of our Company in the last six months. Our Promoters, members of the Promoter Group, the Directors and the immediate relatives of the Directors have not financed the acquisition of our Equity Shares by any other person in the preceding six months from the date of this Red Herring Prospectus.

18. Our Company has not revalued it assets since incorporation.

19. As of date of this Red Herring Prospectus, other than 1,17,75,150 Equity Shares issued as bonus on November 27, 2006 and 2,42,72,994 Equity Shares issued as bonus on September 23, 2009 to the existing shareholders of our Company, we has not made any bonus issue of Equity Shares.

20. None of the Equity Shares held by the Promoter or any member of the Promoter Group are subject to a pledge.

21. Our Promoters and members of the Promoter Group will not participate in the Issue.

22. There are restrictive covenants in the agreements that we have entered into with banks for short-term loans and long-term borrowings. These restrictive covenants in many cases provide for borrowers covenants which are restrictive in nature and require us to obtain their prior permission for undertaking certain corporate actions. For further details, please see "Financial Indebtedness" on page 294 of this Red Herring Prospectus.

23. As per the RBI regulations, OCBs are not allowed to participate in this Issue.

24. As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is ten.

25. There are no restrictions on foreign ownership of our Equity Shares under the Foreign Exchange Management (Transfer and Issue of Securities to a Person Resident outside India) Regulations. Currently, the maximum FIIs/ sub-accounts holding in our Company has been limited at 49%, pursuant to a shareholders' resolution dated September 23, 2009.

26. Our Company has issued following Equity Shares during the last 12 months at a price that may be lower than the Issue Price, as disclosed hereinbelow:

Date of Allotment	Name of the Allottee	No. of equity	Face Value per	Issue Price per	Nature of Consideration	Nature of Allotment/ Issuance

		shares allotted	Equity Share (Rs.)	Equity Share (Rs.)		
August 11, 2009	Bennett, Coleman & Co. Limited	1,66,667	10	300	Cash	Conversion of 50,00,000, 0% fully convertible debentures
August 28, 2009	Credit Suisse PE Asia Investments (Mauritius) Limited	26,66,666	10	300	Cash	Conversion of 26,66,666 Compulsorily Convertible Preference Shares

27. Detail of reserves and surplus since incorporation

(Rs. in lacs)

Particulars	As at September 30, 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005	As at 31 March 2004	As at 31 March 2003
Reserves and Surplus								
Securities premium account	7208.44**	1,684.54	1,684.54	1,923.75	126.49	64.69	64.69	-
Amalgamation reserve	325.59	325.59	325.59	325.59	-	-	-	-
General reserve	119.47	51.91	51.91	51.91	-	-	-	-
Profit and loss account	35,557.71	27,561.82	14,600.72	5,886.04	1,167.90	51.39	4.34	0.10
	43,211.21	**29,623.86**	**16,662.76**	**8,187.29**	**1,294.39**	**116.08**	**69.03**	**0.10**

Notes:

1. *Rs. 1051.03 lakhs was utilised from the Profit and loss account for the year 2006-07 towards issuance of bonus shares.*
2. *Rs. 2427.30 lakhs was utilised from Securities Premium Account towards issuance of Bonus shares on September 23, 2009*

Note: Subsequent to March 31, 2009, securities premium has increased by Rs. 8,216.67 lacs on account of conversion of the cumulative convertible preference shares and convertible debentures into Equity Shares

***Pursuant to the approval of the shareholders as on 7 March 2008 and a Shareholders Agreement ('Agreement') dated 12 March 2008, the Company had issued 2,666,666, 0.0001% Cumulative Convertible Preference shares having a value of Rs. 300 each to an investor in accordance with the terms set out in the Agreement. As per the terms of the Agreement, the Company has converted the Preference Share into Equity Shares on 28 August 2009, in accordance with the procedure stated in the Agreement. 2,666,666 nos of Preference Shares have been converted to Equity Shares at a premium of Rs. 290 per share.*

Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007, the Company has issued 500,000, 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each debenture allotted to the debentureholder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. The Company has converted these debentures into 166,667 equity shares on 11 August 2009 at a premium of Rs 290 per Equity Share.

The Securities Premium account has been utilized for the issue of 24,272,994 bonus shares of Rs 10 each. Further, expenses relating to the proposed issue of equity shares have been adjusted with the securities premium account.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue and an Offer for Sale.

The Objects of the Fresh Issue

The objects of the Issue are to finance our expansion plans and achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our corporate image and brand name.

We intend to deploy the net proceeds of the Fresh Issue, after deductions of expenses in relation to the Issue to part finance the fund requirements as under:

1. Setting up a manufacturing unit at Mondalpara, West Bengal for the manufacture of plain and studded gold jewellery with an annual installed capacity of 450 kgs of gold, two units for the manufacture of machine made Italian jewellery with an annual installed capacity of 1,500 kgs of gold and a facility for the manufacture of bangles with an annual installed capacity of 600 kgs of gold ("Mondalpara Project").

2. Setting up a new manufacturing unit at Domjur, West Bengal with an annual installed capacity of 2,000 kgs of diamond studded jewellery alongwith an electroforming plant with an annual installed capacity of 2,250 kgs of gold and a gold refinery plant with an annual installed capacity of 1,000 kgs of gold ("Domjur Project").

3. Expansion of manufacturing facility at Manikanchan SEZ by setting up of a facility for the manufacture of diamond studded jewellery with an annual installed capacity of 1,000 kgs of gold and 75,000 carats of diamond, a facility for the manufactures of bangles with an annual installed capacity of 600 kgs of gold, an electroforming plant with an annual installed capacity of 1,100 kgs of gold jewellery and an unit for the manufacture of machine made Italian jewellery with an annual installed capacity of 3,000 kgs of gold ("New Manikanchan Project").

4. Setting up retail outlets for sale of jewellery manufactured by our Company and meeting marketing costs

5. To meet the working capital requirement

6. To meet general corporate purposes

7. To meet the issue expenses

The Mondalpara Unit, Domjur Unit, the new facility at Manikanchan SEZ and the proposed retail outlets are together referred to as the "Projects".

The main objects clause of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the Fresh Issue.

The Offer for Sale

The object of the Offer for Sale is to allow the Selling Shareholders to offload 21,33,334 Equity Shares. The Company will not receive any proceeds from the Offer for Sale.

The proceeds of the Fresh Issue:

Particulars	Estimated Amount (Rs. in lacs)
Gross proceeds of the Fresh Issue	[●]
Issue related expenses (other than those to be borne by Selling Shareholder)*	[●]
Net Proceeds of the Fresh Issue	**[●]**

**the details of the Issue related expenses are provided on page 61 of this Red Herring Prospectus.*

The estimated fund requirements for the Projects and other purposes:

(Rs. in lacs)

Sr. No.	Particulars	Total cost	Portion to be financed from the Net Proceeds of the Fresh Issue
1	Setting up of the Mondalpara Unit	1,370.84	1,370.84
2	Setting up of the Domjur Unit	7,493.36	7,493.36
3	Expansion of manufacturing facility at Manikanchan SEZ	5,586.45	5,586.45
4	Setting up of retail outlets and marketing costs	6,804.00	6,804.00
5	To meet the working capital requirement	6,910.22	5,000.00*
6.	General Corporate Purposes	[●]	[●]
7.	To meet the issue expenses	[●]	[●]
Total		**[●]**	**[●]**

** Balance Rs. 1,910.22 lacs to be funded through internal accruals.*

The proposed means of financing

Particulars	Amount (Rs. in lacs)
Net Proceeds of the Issue	[●]
Proceeds from pre-Issue placement, if any	[●]
Internal accruals	[●]
Total	**[●]**

The schedule of deployment of funds for our Projects and working capital requirements is as follows:

(Rs. in lacs)

Sr. No.	Objects	Fund deployment in fiscal 2010	Fund deployment in fiscal 2011	Fund deployment in fiscal 2012	Fund deployment in fiscal 2013
1.	Projects	-	14,450.65	-	-
2.	Retail Outlets	-	2,578.00	2,342.00	1,884.00
3.	Working capital requirements	-	3,913.53	1,086.47	-
4.	General Corporate Purposes	[●]	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**	**[●]**

The Objects of the Issue are proposed to be financed partly from the Net Proceeds of the Fresh Issue and the shortfall from internal accruals. The entire estimated fund requirement for the Projects and other purposes, as stated above, shall be satisfied from the Net Proceeds of the Fresh Issue and internal accruals and hence we are not required to have a firm tie-up of atleast 75% through verifiable means of the objects of the Issue.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Fresh Issue. In the event of any short fall in the Fresh Issue Proceeds, the requirements shall be utilized from internal accruals.

We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling, revising or canceling the planned expenditure and fund requirements and increasing or decreasing the expenditure for a particular purpose from its planned expenditure mentioned below at the discretion of our management. In addition, the estimated dates of completion of the Projects as described herein are based on management's current expectations and are subject to change due to various factors including those described above, some of which may not be in our control. Accordingly, the Net Proceeds of the Fresh Issue would be used to meet all or any of the uses of the funds described herein.

Details of the cost of the Projects

1. Setting up a manufacturing unit at Mondalpara, West Bengal

We propose to set-up a facility for the manufacture of plain and studded gold jewellery with an annual installed capacity of 450 kgs of gold to meet the requirements of the export and domestic market.

With a view to capitalize on the growth opportunities in the machine made light weight Italian jewellery segment, we propose to set up two units for the manufacture of machine made Italian jewellery with an annual installed capacity of 1,500 kgs of gold and a facility for the manufacture of bangles with an annual installed capacity of 600 kgs of gold.

We also plan to incorporate a hallmarking unit at Mondalpara which would enable us to hallmark our products in-house.

We are in possession of approximately 1,600 sq feet of land at Mondalpara. The total super built up area estimated for the Mondalpara Project is 7,250 sq feet.

The total capital expenditure for the facility is estimated at Rs 1,370.84 lacs.

The breakup of the estimated cost of the plain and studded gold jewellery manufacturing facility is given below:

Sr No.	Particulars	Rs. in lacs
1.	Civil constructions and interior costs	290.00
2.	Factory machinery and equipment	
a.	For machine made light weight Italian jewellery	514.99
b.	Facility for the manufacture of bangles	500.00
c.	Hall marking plant	65.85
	Total	**1,370.84**

a. Civil constructions

The cost of civil constructions at our proposed plant at Mondalpara has been estimated at Rs 87.00 lacs, computed on the basis on the quotation received from Ananda Constructions on July 30, 2009 which has quoted construction at Rs 1,200 per square feet. The civil construction shall comprise of piling of the factory building, skeleton of the building, masonry work, plumbing work, electrical work and doors and windows paneling.

b. Interior Costs

Interior costs include 3-phase wiring, CC-TV equipment, fire fighting systems, switches and lighting systems, VRV systems and civil and carpentry works. The total cost for the same has been estimated at Rs. 203 lacs which is based on the quotations received from M/s Nuovo Ideas on September 8, 2009 which has quoted construction at Rs. 2,800 per square feet.

c. Factory machinery and equipment

The total cost for machinery and equipment at the Mondalpara Unit is estimated to be Rs. 1,069.00 lacs.

Machine made light weight Italian jewellery:

The cost of machinery required for the machine made Italian jewellery manufacturing unit is Rs. 514.99 lacs which is based on the quotation received from Fasti Industriale SpA on May 4, 2009, the details of which are as follows:

Sr. No.	Description	Quantity	Total price in Euros	Total Price in Rupees*
I.	**Melting Department**			
1	Medium frequency continuous casting furnace – Vulcano 3000	1	13,970	9,56,805.3
	Spare parts for Vulcano 3000	89	2,820	1,93,141.8
2	Induction melting furnace – FS04	1	5,450	3,73,270.5
	Spare parts for FS04	11	330	22,601.7
3	Chiller – TAE20	1	3,950	2,70,535.5
	Packing for Chiller – TAE20	1	190	13,013.1
II.	**Wire rolling and drawing department**			
1.	Rolling mill strip	1	24,000	1,64,3760
	Packing for rolling mill strip	1	730	49,997.7
2.	Multiple cuts circular shearing machine Mod Cp – 8	1	7,680	5,26,003.2
	Standard packing	1	370	25,341.3
3.	Tube making machine P316	1	28,220	19,32,788
	Standard packing	1	330	22,601.7
4.	Two passages wire – drawing machine “Bull Block” – Mod T2/P	1	6,240	4,27,377.6
	Standard packing	1	370	25,341.3
5.	Rolling mill wire – M 125 TF	1	21,000	14,38,290
	Packing for Rolling mill wire – M 125 TF	1	440	30,135.6
6.	Wire drawing machine 12 passages – T12/EX/V/BEL	1	17,280	11,83,507

Sr. No.	Description	Quantity	Total price in Euros	Total Price in Rupees*
	Set of drawing dies in carbide	4	250	17,122.5
	Set of diamond drawing dies	1 set	1,500	1,02,735
	Packing for T12/EX/V/BEL	1	400	27,396
7.	Annealing Furnace FR 03	1	13,670	9,36,258.3
	Ammonia catalytic dissociation for FR01	1	3,180	2,17,798.2
	Stainless steel pressure regulator for ammonia gas	1	440	30,135.6
	Filter ammonia	1	680	46,573.2
	Packing for Annealing Furnace FR03	1	580	39,724.2
III.	**Chain making machine department – RCML**			
1.	Machine on stand with varying speed, electronic chain collecting plate, sensor for regular chaining control, focusing heads and focusing head supports, air cleaner for laser fumers	4	2,04,820	1,40,28,122
2.	Tested set of tools in carbide for rope chain for laser machines	4	10,528	7,21,062.7
3.	Ancillaries	40	8,943.20	6,12,519.76
4.	Tropical packing	4	2,640	1,80,813.6
IV.	**Hollowing Department**			
1.	Hollowing plant type DCHCL/A	1	18,540	12,69,805
	Ancillaries	7	670	45,888.3
	Packing for Hollowing plant type DGHCL/A	1	400	27,396
2.	TLF/750 Fume Scrubber	1	9,870	6,75,996.3
	Packing for TLF/750	1	720	49,312.8
	Total cost of plant and machinery		4,11,201.20	2,81,63,170.18
	Discount offered by Fasti		35,241.08	24,13,661.57
	Final cost of plant and machinery		3,75,960.12	2,57,49,508.62

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

The quotation stated above is for one unit. We propose to set up two units of machine made Italian jewellery and the total cost for plant and machinery for the machine made Italian jewellery manufacturing facility is Rs. 514.99 lacs

Bangle making Unit

The cost of machinery required for the 3-line bangle manufacturing unit is estimated at Rs. 500.00 lacs which is based on an estimate received from G. J. Consultants on August 21, 2009, the details of which are as follows:

(Rs. in lacs)

Machine	Approximate cost
CNC machine – 2 units	300.00
Melting machine	3.00
Continuous casting	10.00
Rolling mill	6.00
Cutting machines (8)	10.00
Laithe	11.00

Machine	Approximate cost
Laser marking (50w)	38.00
Socket machines	55.00
Finishing & others	9.00
Tools & accessories	8.00
Transport + insurance + freight and banking costs	50.00
Total investment	500.00

Hallmarking Unit

The cost of machinery required for the hallmarking unit is Rs. 65.85 lacs, which is based on the following estimates:

Sr. No.	Particulars	Supplier/ Manufacturer	Details	Quantity	Amount
1.	Weighing machine	Sarto Electro Equipments Private Limited	Quotation dated July 11, 2009	2	Rs. 13.94 lacs
2.	Measuring head X-Ray Xdal	Fischer Measurement Technologies (India) Private Limited	Quotation dated July 7, 2009	1	51,150 Euros* or Rs. 35.03 lacs
3.	Laser Marker	Vapson Jewellery Equipments Private Limited	Quotation dated July 11, 2009	1	Rs. 10.54 lacs
	Total		**Rs. 59.51 lacs**		

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

We have also received quotations from Abrol Industries on July 11, 2009 for the following equipments for the Hallmarking Unit:

Sr. No.	Description	Quantity	Total price in Rs.
1.	Cupellation Muffle Furnace	4	2,04,000
2.	Annealing Muffle Furnace	2	81,100
3.	Scrapping Melting Muffle Furnace	2	71,000
4.	Abrolins Hot Plate	4	17,000
5.	Abrolins Water Still	2	19,800
6.	Fuming Chamber of Plastic	2	1,05,800
7.	Ducting of plastic pipe	100 feet	77,500
8.	Ducting of furnace	20 feet	13,000
9.	Trolley for placement of cupels	2	8,600
10.	Cupellation tray	2	1,500
11.	Button Annealing Tray	2	1,500
12.	Strip Annealing Tray	2	1,500
13.	Quartz Tray with thimbles (for 36 samples)	2	25,000
14.	Tong for annealing tray	2	300
15.	Tong for quartz tray	2	300
16.	Charging Tong (for 1 cupel of 12 HB)	2	5,800
	Total		**6,33,700**

Approvals

For details of approvals required for the project, please see “Licenses and Approvals” on page 312 of this Red Herring Prospectus.

Labour

We seek to employ around 75 people (including seasonal workers) at our premises at Mondalpara. Mondalpara is famous for the plain gold jewellery karigars. We believe that the labour requirements for the unit shall be easily available locally.

Water and electricity arrangements

We estimate that our water requirement would be around 40,000 KL per day. Water will be sourced from either deep tube well, which is proposed to be made in the factory itself or through the municipal corporation. Sufficient water is available underground and can be stored for manufacturing activities, drinking purpose and sanitation.

We estimate that our daily electricity consumption at Mondalpara shall be 545 KVA. A meter has been installed at our premises at Mondalpara. We are yet to apply for an enhancement of the electrical supply.

Schedule of Implementation

Item	Date/ Expected date of commencement	Date/Expected date of Completion
Land and site development	Completed	-
Civil Works	April 2010	August 2010
Interior Works	May 2010	September 2010
Plant, Machinery and other Fixed Assets		
Placement of orders	June 2010	August 2010
Delivery at site and erection and installation	September 2010	September 2010
Power Connection	June 2010	July 2010
Commercial Production	October 2010	-

2. Setting up a manufacturing unit at Domjur, West Bengal

We propose to set up a diamond and precious stones studded jewellery manufacturing unit, an electroforming plant and a gold refinery plant at Domjur, West Bengal.

The annual installed capacity of the diamond studded jewellery manufacturing unit is estimated to be 2,000 kgs of gold, in which approximately 1.5 lac carats of diamond and other precious and semi-precious stones would be used.

An electroforming plant is a unit for the manufacture of machine made light weight gold jewellery. The annual installed capacity of the electroforming plant is estimated to be approximately 2,250 kgs of gold.

We also propose to set up a gold refinery plant with an annual installed capacity of 1,000 kgs of gold which would be used to refine old/ pre-used gold and utilize the refined gold in jewellery manufacturing.

We propose to utilise 1,00,000 sq feet of land to set up the plant. The total super built up area for the project is estimated to be 1,00,000 sq. feet.

The total capital expenditure for the project is Rs. 7,493.36 lacs.

The breakup of the estimated cost of the facility is given below:

Sr. No.	Particulars	Rs. in lacs
1.	Civil constructions and interior costs	4,000
2.	Factory machinery and equipment	
a.	For diamond and precious stones studded jewellery manufacturing unit	2,245.97
b.	For electroforming plant	996.77
c.	Gold refining plant	250.62
	Total	**7,493.36**

d. Civil constructions

The cost of civil constructions at our proposed plant at Domjur has been estimated at Rs 1,200.00 lacs, computed on the basis on the quotation received from Ananda Constructions on July 30, 2009 which has quoted construction at Rs 1,200 per square feet. The civil construction shall comprise of piling of the factory building, skeleton of the building, masonry work, plumbing work, electrical work and doors and windows paneling.

e. Interior Costs

Interior costs include 3-phase wiring, CC-TV equipment, fire fighting systems, switches and lighting systems, VRV systems and civil and carpentry works. The total cost for the same has been estimated at Rs. 2,800 lacs which is based on the quotations received from M/s Nuovo Ideas on September 8, 2009 which has quoted construction at Rs. 2,800 per square feet.

f. Factory machinery and equipment

The total cost for machinery and equipment at the Domjur Unit is estimated to be Rs. 3,493.36 lacs.

Diamond and precious stones studded jewellery manufacturing unit

The cost of machinery required for the diamond and precious stones studded jewellery manufacturing unit is Rs. 2,245.97 lacs which is based on the quotation received from M/s Western Enterprises. Western Enterprises has provided quotations for both the Domjur and Manikanchan Units. The cost of the capacities specified hereunder, which is Rs. 1220.64 lacs including a discount of 8% on the stated quotation, which amounts to Rs. 1,122.99 lacs, shall be doubled in view of the proposed capacity of this project. M/s Western Enterprises shall organize for the delivery of the machines from various vendors, the details of which are as follows:

From Schultheiss, Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Vacuum and pressure gold casting machine model VPC – 100 (fully automatic, computerised, programmable) complete with all accessories and spares for 1,000 castings	2	1,31,750	90,23,557.5
2.	Model WI-500-S Single nozzle vacuum wax injector, programmable complete with all accessories	12	71,400	48,90,186
3.	Rotary burnout furnace – RF 503 (36 flasks with flange/ 54 flasks complete with all accessories)	3	1,06,500	72,94,185
4.	Rotary burnout furnace – RF – 603 (54 flasks with flange/ 72 flasks complete with all accessories)	3	1,23,600	84,65,364
5.	Heavy duty sand blaster to clean casted trees 0 Model WA 70 with all accessories and consumables for initial start – up	2	36,250	24,82,762.5
	Total		**4,69,500**	**3,21,56,055**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From OTEC – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Disc Finishing Machines			
a.	CF 3 X 9 (9 liters three bowl wet + dry + dry – withstand) complete with all accessories and consumables for initial start up	1	25,500	17,46,495
b.	CF 3 X 32 – all wet _(32 liters three bowl) complete with all accessories and consumables for initial start up	1	39,500	27,05,355
c.	CF 3 X 32 – all dry – (32 liters three bowl) complete with all accessories and consumables for initial start up	1	33,000	22,60,170
d.	DF 70 – S/5 machine with stand (200 rings) complete with all accessories and consumables for initial start up	1	28,200	19,31,418
e.	DF 140 – S/10 machine with stand (400 rings) complete with all accessories and consumables for initial start up	1	56,500	38,69,685
f.	Flow separator – F25 complete with all accessories	2	20,250	13,86,922.5
g.	Vibratory polishing machine 16 I complete with all accessories and consumables for initial start up	2	38,850	26,60,836.5
h.	Magnetic polishing unit MAG 30 complete with all accessories and consumables for initial start up	5	16,850	11,54,056.5
	Total		**2,58,650**	**1,77,14,938.5**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From NSK – Japan

Sr. No.	Description	Quantity	Total price in Yen	Total price in Rupees*
1.	Ultimate XL (Electrical Micro-motor (brushless) complete with all accessories	500	5,35,00,000	2,73,62,040

** Conversion as of July 31, 2009 at the rate of 1 Yen = Rs 0.51144*

From Baasel Lasertech/ Rofin – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Laser Soldering Machine SWWP – complete with all accessories	5	1,31,250	89,89,312.50
2.	Laser Marking Machine – Easy Jewel (Marking Laser) – complete with all accessories	2	1,15,000	78,76,350.00
	Total		**246,250**	**1,68,65,662.50**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From Wieland – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Electro-plating systems – Bath complete with all accessories w/o chemicals	2	7,250	4,96,552.5
2.	Pen Plating – DIP complete with all accessories w/o chemicals	3	1,350	92,461.5
	Total		**8,600**	**5,89,014**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From KWS – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Automatic embedding machine – EB – 10/16s with 40 m3 / hr vacuum pump	2	33,800	23,14,962.00
2.	KG 100 water jet complete with all accessories	2	25,000	17,12,250.00
3.	HPP 06 pneumatic sprue cutter with all accessories	3	9,450	6,47,230.50
	Total		**68,250**	**46,74,442.50**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From Dogendorf – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Ecomat 2000 CC 9 without cooling systems) with language chips and complete with all accessories	2	57,500	39,38,175
2.	Vulcanising press (Screw type)			
a.	Vulcanising press VP – 250 Type “Quattro – Parallel”	3	26,100	17,87,328
b.	Mould frames (standard size – 60 X 70 mm)	6	4,680	3,20,533.20
	Total		**88,280**	**60,46,297.20**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From CEIA – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Induction Melter F1 Turbo – capacity 0.8 kg – Gold/0.5 kg – Silver, complete with accessories and consumables	1	13,570	9,29,409.3
2.	Induction melter F3-D capacity 2 kg – gold/1.3 kgs silver – silver complete with all accessories and consumables	1	15,425	10,56,458.25
3.	Induction melter F5 – D capacity 6 kg – Gold complete with all accessories and consumables	2	34,320	23,50,576.8
	Total		**63,315**	**43,36,444.35**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From ELMA – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Industrial Ultrasonic Cleaner – TI-H-15 – 12.2 liters – complete with all accessories	3	7,125	4,87,991.25
2.	Industrial Ultrasonic Cleaner – TI-H-25-19.8 liters – complete with all accessories	15	47,400	32,46,426
	Total		**54,525**	**37,34,417.25**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From Hoffman – USA

Sr. No.	Description	Quantity	Total price in US$	Total price in Rupees*
1.	Industrial Steam Cleaners			
a.	Hoffman Model JEL 4, 220 V, Single Phase 2, gallon (7.8 liters) ASME complete with all accessories	3	4,125	2,00,928.75
b.	Hoffman Model JEL 11, 9 KW Three Phase 400 V, 6 gallon (22.74 liters) complete with all accessories	10	45,000	21,91,950.00
	Total		**49,125**	**23,92,878.75**

** Conversion as of July 31, 2009 at the rate of 1 UD$ = Rs 48.71*

From Walter Lemmen – Germany

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees
1.	Electroplating machine for rhodium – Compacta L8 GS – Modular – 20 liters capacity tank volume with 4 modules (1X pre-cleaning + 1 X rhodium + 2 X gold plating) w/o chemicals	2	84,400	57,80,556

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

From Nicem SpA – Italy

Sr. No.	Description	Quantity	Total price in Euros	Total price in Rupees*
1.	Enamelling table – complete with all accessories and start up kit with consumables (10 shades enamel + 5 hardeners)	1	6,000	4,10,940

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

Electroforming Plant

The cost of the machinery for the electroforming plant for the manufacture of machine made gold jewellery is estimated to be Rs. 996.77 lacs which is based on the quotations by Pino Aliprandini on July 10, 2009. The cost of the capacities specified hereunder, which is Rs. 498.38 lacs, after discount, shall be doubled in view of the proposed capacity of this project.

Sr. No.	Description	Quantity	Total price in Swiss Francs	Total price in Rupees*
1.	Foundry	1	43,510	19,48,812.90
2.	Polishing low melting alloy department	1	59,305	26,56,270.95
3.	Plating line with automatic gold electroforming machine department	2	8,52,480	3,81,82,579.20
4.	DI water production and closed water treatment department	1	33,235	14,88,595.65

Sr. No.	Description	Quantity	Total price in Swiss Francs	Total price in Rupees*
5.	Low melting alloy empting department	1	48,430	21,69,179.70
6.	Water treatment department	1	1,14,550	51,30,694.50
7.	Gold potassium cyanide department	1	34,530	15,46,598.70
8.	Chemical supplies (for 20 kg gold) 22k with cadmium, including know how and training for seven working days	-	60,860	27,25,919.40
9.	Supplies for sample analysis	-	4,060	1,81,847.40
10.	Laboratory for analysis	-	63,365	28,38,118.35
11.	Annealing (thermic treatment)	-	21,320	9,54,922.80
12.	Fume Hood	1	21,320	9,54,922.80
	Total		**13,56,965.00**	**6,07,78,462.35****
	Discount		**2,44,253.69**	**1,09,40,123.22**
	Actual cost of machinery		**11,12,711.31**	**4,98,38,339.13**

** Conversion as of July 31, 2009 at the rate of 1 Swiss Franc = Rs 44.79*

Gold Refinery Unit

The cost of machinery for our gold refinery unit at Domjur is Rs. 250 lacs based on a quotation received from Italimpianti Orafi SpA on July 3, 2009 the details of which are as follows:

Sr. No.	Description	Quantity	Total price in Euro	Total price in Rupees*
1.	**Assay Lab**			
a.	Bench Drill Type TRB/A	1	475	32,532.75
b.	Electronic analytic balance	1	3,720	2,54,782.8
c.	Anti-vibrating table type TAV/A	1	1,120	76,708.8
d.	Cupullation furnace type FCOPP/A	1	10,960	7,50,650.4
e.	Machine for the treatment of cupel balls type MSLR/B	1	6,355	4,35,254
f.	Separation hood type CS/B	1	5,460	3,73,955.4
g.	Neutralisation tower for acid fumes types TLF/500	1	4,735	3,24,300.2
2.	**Melting Department**			
a.	FIM/45 RPG Plant	1	64,830	44,40,207
b.	FIM.20 TPU Melting Unit	1	32,300	22,12,227
c.	Grains production tank type RPG/E	1	3,410	2,33,550.9
d.	Ingots Trolley Unit	1	6,350	4,34,911.5
e.	Unit for silver anodes production	1	3,500	2,39,715
f.	10 kw induction melting unit + ingots solidification table	1	19,770	13,54,047
g.	Water cooling unit – Type Frigo / 121	1	10,600	7,25,994
i.	Rotating suction hood over crucible	3	3,300	2,26,017
3.	**Aqua regia gold refining unit**			
a.	Tumbler Unit	1	52,450	35,92,301

Sr. No.	Description	Quantity	Total price in Euro	Total price in Rupees*
b.	Precipitation Unit	1	23,600	16,16,364
c.	Automatic Chemical Reintegral Unit	1	3,675	2,51,700.8
d.	Fumes neutralization unit Type TLF/850	1	10,800	7,39,692
e.	Acid storage and transfer unit	1	16,000	10,95,840
4.	**Silver refining department**			
a.	Silver refining plant type AFF 10/AG	1	14,200	9,72,558
b.	Neutralisation tower for acid fumes type TLF/ 500	1	4,735	3,24,300.2
5.	**Fume treatment department**			
a.	Scrubber machine	1	21,530	14,74,590
6.	**Acid water treatment department**			
a.	Acid water neutralization plant	1	30,900	21,16,341
b.	Intermediate storage tanks	4	11,160	7,64,348.4
	Total		**3,65,935**	**2,50,62,888.15**

** Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

Approvals

For details of approvals required for the project, please see "Licenses and Approvals" on page 312 of this Red Herring Prospectus.

Labour

We seek to employ around 380 people (including seasonal workers) at Domjur. Domjur is famous for hand craftsman for studded and diamond jewellery. We believe that the labour requirements for the unit shall be easily available locally.

Water and electricity arrangements

We estimate that our water requirement would be around 55,000 KL per day. Water will be sourced from deep tube well, which is proposed to be made in the factory itself or from the municipal corporation. Sufficient water is available underground and can be stored for manufacturing activities, drinking purpose and sanitation.

We estimate that we would require approximately 925 KVA of electricity each day for our unit at Domjur. However, we are to to make any arrangements for the same.

Schedule of Implementation

Item	Date/ Expected date of commencement	Date/Expected date of Completion
Land and site development	Completed	-
Civil Works	April 2010	August 2010
Interior Works	May 2010	September 2010

Item	Date/ Expected date of commencement	Date/Expected date of Completion
Land and site development	Completed	-
Plant, Machinery and other Fixed Assets		
Placement of orders	June 2010	August 2010
Delivery at site and erection and installation	September 2010	September 2010
Power Connection	April 2010	April 2010
Commercial Production	October 2010	-

3. Manufacturing facility at Manikanchan SEZ

We propose to set up a new jewellery manufacturing unit at Manikanchan SEZ in West Bengal to supplement the existing manufacturing facility in the same SEZ. This facility would help us to diversify our customer base to the growing markets of the European Union, South East Asia and other parts of the world.

This new unit would comprise of a facility for the manufacture of diamond jewellery with an annual installed capacity of 1,000kgs of gold and 75,000 carats of diamond, a facility for the manufactures of bangles with a capacity of 600 kgs of gold per year, an electroforming plant with an installed capacity of 1,100 kgs of gold jewellery per year and an unit for the manufacture of machine made Italian jewellery with an installed capacity of 3,000 kgs of gold jewellery per year.

The total capital expenditure for the project is Rs. 5,586.45 lacs.

The breakup of the estimated cost of the facility is given below:

Sr. No.	Particulars	Rs. in lacs
1.	Land and site development	612.00
2.	Civil constructions	408.00
3.	Furniture and fixtures including electrical installation	952.00
4.	Factory machinery and equipment	
a.	For diamond studded jewellery	1,122.99
b.	For electroforming plant	498.38
c.	For bangle making facility	500.00
d.	For the manufacture of machine made Italian jewellery	1,493.08
	Total	**5,586.45**

a. Land and site development

We are yet to acquire the land on which we propose to set up this new unit at Manikanchan SEZ. We estimate that the proposed area for development would be 1.00 lacs sq. feet and we have applied to the West Bengal Industrial Development Corporation Limited on June 24, 2009 for the grant of approval to set up the proposed unit at the Manikanchan SEZ. The total area required for the project is estimated to be 34,000 sq. feet. The cost of land at Manikanchan SEZ is Rs. 1,800 per sq feet. The total fund requirement from the Fresh Issue proceeds for the acquisition of land at Manikanchan SEZ is Rs. 612.00 lacs.

b. Civil constructions

The cost of civil constructions at our proposed plant at Manikanchan SEZ has been estimated to be Rs 408.00 lacs, computed on the basis on the quotation received from Ananda Constructions on July 30, 2009 which has quoted construction at Rs 1,200 per square feet. The civil construction shall comprise of piling of the factory building, skeleton of the building, masonry work, plumbing work, electrical work and doors and windows paneling.

c. Interior Costs

Interior costs include 3-phase wiring, CC-TV equipment, fire fighting systems, switches and lighting systems, VRV systems and civil and carpentry works. The total cost for the same has been estimated at Rs. 952 lacs which is based on the quotations received from M/s Nuovo Ideas on September 8, 2009 which has quoted construction at Rs. 2,800 per square feet for the estimated area of 34,000 sq. feet.

d. Factory machinery and equipment

The total cost for machinery and equipment at the new unit at Manikanchan SEZ is estimated to be Rs. 3,614.45 lacs.

Diamond and precious stones studded jewellery manufacturing unit

The cost of machinery required for the diamond and precious stones studded jewellery manufacturing unit is Rs. 1,122.99 lacs which is based on the quotation received from M/s Western Enterprises on July 7, 2009. M/s Western Enterprises shall organize for the delivery of the machines from various vendors, the details of which are as the same as the quotations received for our Domjur Unit. For further details, please refer to page 43 of this Red Herring Prospectus.

Electroforming Plant

The cost of the machinery for the electroforming plant for the manufacture of machine made gold jewellery is Rs. 498.38 lacs, including discount, is based on the quotations by Pino Aliprandini on July 10, 2009:

Sr. No.	Description	Quantity	Total price in Swiss Francs	Total price in Rupess*
1.	Foundry	1	43,510	19,48,812.90
2.	Polishing low melting alloy department	1	59,305	26,56,270.95
3.	Plating line with automatic gold electroforming machine department	2	8,52,480	3,81,82,579.20
4.	DI water production and closed water treatment department	1	33,235	14,88,595.65
5.	Low melting alloy empting department	1	48,430	21,69,179.70
6.	Water treatment department	1	1,14,550	51,30,694.50
7.	Gold potassium cyanide department	1	34,530	15,46,598.70
8.	Chemical supplies (for 20 kg gold) 22k with cadmium, including know how and training for seven working days and accessories	-	1,70,925	76,55,730.75
	Total		**13,56,965.00**	**6,07,78,462.35****
	Discount		**2,44,253.70**	**1,09,40,123.22**
			11,12,711.30	**4,98,38,339.13**

**Conversion as of July 31, 2009 at the rate of 1 Swiss Franc = Rs 44.79*

Machine made Italian jewellery

We have placed an order for the Rope Chain making machine with Fasti Industriale SpA on May 4, 2009, the details of which are as follows:

Sr. No.	Description	Quantity	Total price in Euros	Total Price in Rupees*
I.	**Melting Department**			
1	Medium frequency continuous casting furnace – Vulcano 3000	1	13,970	9,56,805.3
	Spare parts for Vulcano 3000	89	2,820	1,93,141.8
2	Induction melting furnace – FS04	1	5,450	3,73,270.5
	Spare parts for FS04	11	330	22,601.7
3	Chiller – TAE20	1	3,950	2,70,535.5
	Packing for Chiller – TAE20	1	190	13,013.1
II.	**Wire rolling and drawing department**			
1.	Rolling mill strip	1	24,000	1,64,3760
	Packing for rolling mill strip	1	730	49,997.7
2.	Multiple cuts circular shearing machine Mod Cp – 8	1	7,680	5,26,003.2
	Standard packing	1	370	25,341.3
3.	Tube making machine P316	1	28,220	19,32,788
	Standard packing	1	330	22,601.7
4.	Two passages wire – drawing machine "Bull Block" – Mod T2/P	1	6,240	4,27,377.6
	Standard packing	1	370	25,341.3
5.	Rolling mill wire – M 125 TF	1	21,000	14,38,290
	Packing for Rolling mill wire – M 125 TF	1	440	30,135.6
6.	Wire drawing machine 12 passages – T12/EX/V/BEL	1	17,280	11,83,507
	Set of drawing dies in carbide	4	250	17,122.5
	Set of diamond drawing dies	1 set	1,500	1,02,735
	Packing for T12/EX/V/BEL	1	400	27,396
7.	Annealing Furnace FR 03	1	13,670	9,36,258.3
	Ammonia catalytic dissociation for FR01	1	3,180	2,17,798.2
	Stainless steel pressure regulator for ammonia gas	1	440	30,135.6
	Filter ammonia	1	680	46,573.2
	Packing for Annealing Furnace FR03	1	580	39,724.2
III.	**Chain making machine department – RCML**			
1.	Machine on stand with varying speed, electronic chain collecting plate, sensor for regular chaining control, focusing heads and focusing head supports, air cleaner for laser fumers	4	2,04,820	1,40,28,122
2.	Tested set of tools in carbide for rope chain for laser machines	4	10,528	7,21,062.7
3.	Ancillaries	40	8,943.20	6,12,519.76
4.	Tropical packing	4	2,640	1,80,813.6

5.	Laser Machines	1	1,29,520	88,70,824.80
IV.	**Hollowing Department**			
1.	Hollowing plant type DCHCL/A	1	18,540	12,69,805
	Ancillaries	7	670	45,888.3
	Packing for Hollowing plant type DGHCL/A	1	400	27,396
2.	TLF/750 Fume Scrubber	1	9,870	6,75,996.3
	Packing for TLF/750	1	720	49,312.8
V.	**Finishing Department**			
a.	Vibrating Machine – Euro 105 and accessories	2	29,020	19,87,579.80
g.	Packing	2	500	34,245.00
VI.	**Training at plant for 14 days**	-	10,000	6,84,900.00
	Total cost of plant and machinery		**5,80,241.20**	**3,97,40,719.79**
	Discount offered by Fasti		**35,241.20**	**24,13,669.79**
	Final cost of plant and machinery		**5,45,000.00**	**3,73,27,050.00**

**Conversion as of July 31, 2009 at the rate of 1 Euro = Rs 68.49*

We require four Rope Chain making machines. The total cost for the same has been estimated at Rs. 1,493.08 lacs.

Bangle manufacturing unit

The cost of machinery required for the 3-line bangle manufacturing unit is estimated at Rs. 500.00 lacs which is based on an estimate received from G. J. Consultants, the details of which are as follows:

(Rs. in lacs)

Machine	Approximate cost
CNC machine – 2 units	300.00
Melting machine	3.00
Continuous casting	10.00
Rolling mill	6.00
Cutting machines (8)	10.00
Laithe	11.00
Laser marking (50w)	38.00
Socket machines	55.00
Finishing & others	9.00
Tools & accessories	8.00
Transport + insurance + freight and banking costs	50.00
Total investment	**500.00**

Approvals

For details of approvals required for the project, please see “Licenses and Approvals” on page 312 of this Red Herring Prospectus.

Labour

We seek to employ around 280 people (including seasonal workers) at the new unit at Manikanchan SEZ. We believe that the labour requirements for the unit shall be easily available locally.

Water and electricity arrangements

We estimate that our water requirement would be around 55,000 KL per day. Water will be sourced from the municipal corporation.

We estimate we would require 935 KVA of electricity every day. The electricity would be supplied to us by the West Bengal State Electricity Board through the West Bengal Industrial Development Corporation.

Schedule of Implementation

Item	Date/ Expected date of commencement	Date/Expected date of Completion
Land	June 2009	April 2010
Land Development	May 2010	June 2010
Civil Works	June 2010	August 2010
Interior Works	July 2010	September 2010
Plant, Machinery and other Fixed Assets		
Placement of Orders	June 2010	September2010
Delivery at site and erection and installation	October 2010	October 2010
Power Connection	June 2010	June 2010
Commercial Production	November 2010	-

The fund deployment schedule for our three new Projects is as follows:

(Rs. in lacs)

Particulars	FY 2010	FY 2011	Total
Cost of land acquisition	-	6.12	6.12
Cost of civil construction and interior costs	20.00	36.50	56.50
Plant and machinery	-	82.38	82.38
Total	20.00	125.00	145.00

We do not intend to utilize the net proceeds of the Fresh Issue to procure any second hand equipment/ machinery. The Promoters or the Directors or the Promoter Group entities do not have any interest in the proposed procurement of any equipment/ machinery as stated above or any of the entities from whom we have obtained quotations/ machinery.

4. Setting up of Retail Outlets for sale of jewellery manufactured by our Company and meeting marketing costs

We intend to open 46 retail outlets over the next three years, comprising of 14 owned outlets, 3 outlets on rent, 18 outlets on shop-in-shop basis and 11 outlets on a franchisee model for retailing of products manufactured by us.

We estimate that the total cost for our retail expansion plans, is Rs. 5,004 lacs along with marketing costs of approximately Rs 1,800 lacs.

We segregate our outlets in the following three categories, based on the dimensions of the outlet, which are as follows:

Category	Size of outlet	Total cost per shop* (Rs. in lacs)	Number of outlets proposed by our Company	Total cost (Rs. in lacs)
Large outlets (owned)	Atleast 6,000 sq feet	888.00	3	2,664.00
Medium outlets (owned)	Atleast 3,000 sq feet	372.00	4	1,488.00
Small outlets (owned)	On an average 700 sq feet	71.40 lacs	7	499.80
Small outlets (leased)	On an average 867 sq feet	63.00 lacs	3	189.00
Shop-in-shop outlets	On an average 150 to 250 sq feet	9.06 lacs	18	163.20
Total				**5004.00**

** The cost has been estimated on the basis of the quotations stated below.*

The details of the proposed retail outlets are as follows:

a. Setting up of owned retail outlets

Our Company intends to open 17 outlets of which 14 are proposed to be on freehold basis and three are proposed to be on leasehold basis. We propose to open three large outlets, four medium outlets and 10 small outlets. We have identified the locations in which we propose to set up the outlets but are yet to procure the premises on which we propose to set up the outlets.

We intend to purchase outright the premises on which we propose to set up a Large store. The estimated cost of setting up a store under the Large category is as follows:

Sr. No.	Particulars	Cost per square feet (Rs.)	Basis of cost estimation	Total Amount (Rs. in lacs) which is cost per sq ft multiplied by 6000 (size of large store)
1.	Cost of acquiring the premises	12,000	Quotation by Doshi & Co., Real Estate Agents dated September 19, 2009	720.00
2.	Furniture and fixtures	1,600	Quotation from Beautiful Living Private Limited dated September 19, 2009	96.00
3.	Electrical installations	400	Quotation from M/s J D Electric dated September 19, 2009	24.00
4.	Computers	400	Quotation from Om Infonet dated September 19, 2009	24.00
5.	Air conditioning	200	Quotation from Crystal Refrigeration Private Limited dated September 19, 2009	12.00
6.	Equipments and vehicles	200	Quotation from Darshan Jewel Tools Private Limited dated September 19, 2009	12.00
	Total	**14,800**		**888.00**

The total estimated cost of setting up three Large outlets is Rs. 2,664.00 lacs.

We intend to purchase outright the premises on which we propose to set up a Medium store. The estimated cost of setting up a store under the Medium category is as follows:

Sr. No.	Particulars	Cost per square feet (Rs.)	Basis of cost estimation	Total Amount (Rs. in lacs) which is cost per sq ft multiplied by 3000 (size of medium store)
1.	Cost of acquiring the premises	10,000	Quotation by Doshi & Co., Real Estate Agents dated September 19, 2009	300.00
2.	Furniture and fixtures	1,200	Quotation from Beautiful Living Private Limited dated September 19, 2009	36.00
3.	Electrical installations	400	Quotation from M/s J D Electric dated September 19, 2009	12.00
4.	Computers	400	Quotation from Om Infonet dated September 19, 2009	12.00
5.	Air conditioning	200	Quotation from Crystal Refrigeration Private Limited dated September 19, 2009	6.00
6.	Equipments and vehicles	200	Quotation from Darshan Jewel Tools Private Limited dated September 19, 2009	6.00
	Total	**12,400**		**372.00**

The total estimated cost of setting up four Medium outlets is Rs. 1,488.00 lacs.

The estimated cost of setting up a store under the Small category, under outright purchase, is as follows:

Sr. No.	Particulars	Cost per square feet (Rs.)	Basis of cost estimation	Total Amount (Rs. in lacs) which is cost per sq ft multiplied by 700 (average size of small store)
1.	Cost of acquiring the premises	8,000	Quotation by Doshi & Co., Real Estate Agents dated September 19, 2009	56.00
2.	Furniture and fixtures	1,000	Quotation from Beautiful Living Private Limited dated September 19, 2009	7.00
3.	Electrical installations	400	Quotation from M/s J D Electric dated September 19, 2009	2.80
4.	Computers	400	Quotation from Om Infonet dated September 19, 2009	2.80

Sr. No.	Particulars	Cost per square feet (Rs.)	Basis of cost estimation	Total Amount (Rs. in lacs) which is cost per sq ft multiplied by 700 (average size of small store)
5.	Air conditioning	200	Quotation from Crystal Refrigeration Private Limited dated September 19, 2009	1.40
6.	Equipments and vehicles	200	Quotation from Darshan Jewel Tools Private Limited june 19, 2009 dated September 19, 2009	1.40
	Total	**10,200**		**71.40**

The total estimated cost of setting up seven Small outlets on free hold basis is Rs. 499.80 lacs. All the freehold outlets under the Small category proposed to be set up by us would be located in Tier II cities in India.

The estimated cost of setting up a store under the Small category, under leasehold rights, is as follows:

Sr. No.	Particulars	Cost per square feet (Rs.)	Basis of cost estimation	Total Amount (Rs. in lacs) which is cost per sq ft multiplied by 867 (average size of small store)
1.	Cost of acquiring the premises	5,066.44	Quotation by Doshi & Co., Real Estate Agents dated September 19, 2009	43.93
2.	Furniture and fixtures	1,000	Quotation from Beautiful Living Private Limited dated September 19, 2009	8.67
3.	Electrical installations	400	Quotation from M/s J D Electric dated September 19, 2009	3.47
4.	Computers	400	Quotation from Om Infonet dated September 19, 2009	3.47
5.	Air conditioning	200	Quotation from Crystal Refrigeration Private Limited dated September 19, 2009	1.73
6.	Equipments and vehicles	200	Quotation from Darshan Jewel Tools Private Limited june 19, 2009 dated September 19, 2009	1.73
	Total	**7,266.44**		**63.00**

The total estimated cost of setting up three Small outlets on lease hold basis is Rs. 189.00 lacs. All the leasehold outlets under the Small category proposed to be set up by us would be located in Tier I cities in India.

To finance brand building costs for our retail operations, we intend to deploy Rs. 1,800 lacs out of the Net Proceeds of the Issue. We intend to utilize these funds towards advertiseing campaigns though television channels, the print media and the radio network.

b. Setting up of shop-in-shop arrangements

We propose to further expand our distribution network through shop-in-shop arrangements. Shop-in-shop is an arrangement wherein our Company would sell our products in a portion of a retail outlet.

We have entered into any agreement with Vishal Retail Limited for shop-in-shop arrangements through their existing outlets. Currently, we have three outlets under the shop-in-shop arrangement at Gaziabad, Gurgaon and Mathura Road, New Delhi. We propose to open 18 more such outlets under the shop-in-shop arrangement with Vishal Retail Limited.

Under the terms of the agreement with Vishal Retail Limited, the area to be provided to us inside a Vishal Retail Limited store is between 150 to 250 sq feet. The estimated capital expenditure for each shop-in-shop arrangement is as follows:

(Rs. in lacs)

Sr. No.	Particulars	Amount
1.	Security devices	0.33
2.	IT devices	2.19
3.	Fittings and fixtures	2.14
4.	Gold testing machine	3.00
5.	Weighing scale	1.40
	Total	**9.06**

The total cost for setting up 18 shop-in-shop arrangements is Rs. 163.20 lacs. This is as per Company estimates.

c. Franchisee Arrangements

Under a franchisee arrangement, our products are sold in a retail outlet owned by the franchiser on an approval basis. The title to the goods is transferred to the franchiser immediately on our invoicing. We supply our products to the franchisee as per the margins described in the agreements entered with them, which are fully backed by bank guarantees provided by the franchisees.

As on date of this Red Herring Prospectus, we have six outlets on the franchisee model and we propose to have additional eleven outlets on the franchisee model across the country.

Schedule of Implementation

Type of outlets	Number of outlets opened				
	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	Total
Owned shops (Large, Medium and Small formats)	-	5	5	4	14
Shops on lease	-	1	2	-	3
Shop – in – shop	-	6	6	6	18
Franchisee	3	1	4	6	14
Total outlets per year	**3**	**13**	**17**	**16**	**49**

After filing of the Draft Red Herring Prospectus with SEBI on September 29, 2009, we have opened three new stores on the franchisee model one each at Palanpur, Anand and Jalandar.

The fund deployment schedule for our retail expansion plans, under the owned and shop-in-shop model, is as follows:

(Rs. in lacs)

Particulars	FY 2011	FY 2012	FY 2013	Total
Cost of premises	1,340	1,340	1,072	3,752
Security deposit	35	70	-	105
Furniture and fixtures	193	208	145	547
Electrical installations	65	72	47	184
Air conditioning	66	69	53	188
Computers and IT peripherals	26	28	20	74
Equipment and vehicles	53	54	56	154
Total	**1,778**	**1,841**	**1,393**	**5,004**

We also intend to deploy Rs. 1,800.00 lacs towards marketing of our retailed products.

5. Meeting the working capital requirement

The long term working capital margin requirement has been calculated on the basis of additional working capital which will be required over a period from FY 2010 to FY 2012 based on expansion plans of our Company. These expansions are expected to be completed in FY 2010- 2011, thereby increasing the operations of our Company and the requirement of working capital.

Raw material, work in progress, finished goods and auxiliary materials have been taken at various levels, which is in consonance with the industry practice and past trends.

(Rs. in lacs)

Particulars	Holding level (days)	2009	Holding level (days)	2010	2011	2012
Current Assets	**Audited**			**Estimated**		
Raw Material	1	587.35	7	5,363.00	6,426.00	8,310.00
Other Consumable spares						
Work in progress	4	2,383.16	15	11,607.00	13,924.00	18,021.00

Particulars	Holding level (days)	2009	Holding level (days)	2010	2011	2012
Finished Goods (Export)	7.5	4420.02	20	15,629.00	15,629.00	20,692.00
Finished Goods (Domestic-retail)			100	427.00	6,721.00	8,066.00
Sundry Debtors (Export)	122	71,682.15*	120	104,837.00	116,744.00	156,294.00
Sundry Debtors (Domestic/retail)			7	683.00	347.00	478.00
Total Current Assets (A)		**79,072.68**		**138,546.00**	**159,791.00**	**211,861.00**
Current Liabilities (Other than bank borrowings for working capital)						
Creditors	24	13,053.59	30	23,888.00	27,629.00	35,770.00
Advances from Customers / Other current liabilities						
Statutory Liabilities						
Total of other Current Liabilities (B)		**13,053.59**		**23,888.00**	**27,629.00**	**35,770.00**
Net Working Capital (A-B) (I)		**66019.09**		**114,658.00**	**132,162.00**	**176,091.00**
Working Capital Borrowings (II)		54146.31**		97,296.53***	110,887.00	147,941.00
Margin (I – II)		11,872.78		17,361.47	21,275.00	28,149.00
Incremental Margin				**5,488.69**	**3,913.53**	**6,874.00**
Source of funding						
a. Net Issue Proceeds				-	3,913.53	1,086.47
b. Internal Accruals				5,488.69	-	5,787.53

** Include debtors of Rs. 17,535.84 lacs and bill discounting of Rs. 54,146.31 lacs*

*** Represents bill discouting finance facility availed from banks*

**** Includes Rs. 4500 lacs raised through Commercial Papers (short term borrowing)*

Justification for holding period levels:

Inventory	Inventory holding levels of Raw Materials, Semi-finished goods, Finished goods, etc. are expected to be in line with March 08 levels.
Receivables	Receivables on account of domestic sale is expected to be the same as FY 2009
Creditors	Level of creditors is expected to come down in future due to our Company availing cash discounts.

All the above projections are based on management estimates and have not been appraised by any bank or financial institution.

Our Company proposes to meet the incremental margin money requirement to the extent of Rs. 5,000 lacs from the Net Proceeds of the Fresh Issue and the balance would be met out of the internal accruals of our Company.

6. General Corporate Purposes

We intend to use approximately Rs. [●] lacs from the net proceeds of the Fresh Issue towards general corporate purposes. Our Board of Directors will have the flexibility in sanctioning the utilization of these proceeds for general corporate purpose including assessment of new opportunities, expansion of our operations domestically, and / or internationally through the organic / inorganic route and other strategic initiatives.

Our Board of Directors will review various requirements from time to time and in response to the competitive and dynamic nature of the industry, our management will have the discretion to revise our business plan from time to time.

To the extent that we seek to advance on any of the above mentioned fronts, we will utilize part of the funds raised in this Issue towards this purpose. In the interim, if opportunities for inorganic growth or any other strategic initiatives arise these funds will be utilized for the said initiatives.

We may utilize more than 25% of the proceeds of the Net Issue Proceeds for General Corporate Purpose including but not limited to repayment or prepayment of loans taken by our Company, meeting our working capital requirements, entering into strategic alliances, joint ventures and acquisitions and meeting exigencies which our Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors. However, as on date, we may not be in a position to indicate the purpose for which these proceeds of the Issue will be utilised.

7. Meeting the issue expenses

The expenses for this Issue includes lead management fees, underwriting and selling commission, printing, stationery and distribution expenses, legal fees, advertisement expenses, registrar fees, depository charges and listing fees to the Stock Exchanges, among others. The total expenses for this Issue are estimated to be approximately Rs. [●] lacs, which is [●]% of the Issue size.

The Issue expenses, except the listing fee, shall be shared between our Company and the Selling Shareholder in the proportion to the number of Equity Shares sold to the public as part of the Issue. The listing fees will be paid by our Company.

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Expense* (Rs. In lacs)	Expense (% of total expenses)	Expense (% of Issue Size)	Amount to be paid by the Company	Amount to be paid by the Selling Shareholders
Lead management fee and underwriting and selling commissions	[•]	[•]	[•]	[•]	[•]
SCSB's commission	[•]	[•]	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]	[•]	[•]
Registrar's fee, legal counsel, IPO grading	[•]	[•]	[•]	[•]	[•]
Others	[•]	[•]	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]	[•]	[•]

**To be completed after finalization of issue price*

All expenses related to the issue will be borne by our Company and the Selling Shareholder proportionate to the Equity Shares offered by them, except for the listing fees, which shall be borne entirely by our Company.

As per the certificate of the statutory auditors of the Company, BSR & Co. dated March 2, 2010, the Company has made an expenditure of Rs. 4573.90 lacs towards their working capital requirements.

Interim Use of Proceeds

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the net proceeds received by our Company from the Fresh Issue. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, inter-corporate deposits, deposit with banks for necessary duration or reducing the working capital / term borrowings from banks and financial institutions.

No part of the Fresh Issue proceeds will be paid by us as consideration to our Promoters, Directors, key management personnel or Subsidiaries or Group Companies.

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency in terms of Regulation 16 of the SEBI ICDR. The Audit Committee appointed by the Board of Directors will monitor the utilization of the proceeds of the Fresh Issue. As required under clause 43 of the Listing Agreement, we will disclose the details of the utilization of the Fresh Issue proceeds periodically, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized.

BASIS OF ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs. 10 and the Issue Price is [•] times the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band. Investors should also refer to the section "Risk Factors" on page xv and "Financial Statements" on page 158 to get more informed view before making an investment decision.

Qualitative Factors:

We set up our first unit at Manikanchan SEZ in 2004 with a capacity of 500 kgs of gold jewellery per year. We have set up three additional units at Manikanchan SEZ and currently we have a cumulative installed capacity of 30,500 kgs of gold jewellery per year. For the year ended March 31, 2009 and for the six months ended September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold per year respectively. We believe that our Company's restated financial performance from FY 2007 to FY 2009, viz; total income YoY grew by 55.09% in FY 2008 and 72.88% in FY 2009, export income YoY grew by 67.77% in FY 2008 and 77.81% in FY 2009, EBIDTA YoY grew by 74.65% in FY 2008 and 84.25% in FY 2009 and net profit YoY grew by 84.73% in FY 2008 and 47.73% in FY 2009, demonstrated the consistency of our Company's business growth and leadership capabilities. We were also assigned "NSIC – CRISIL SE1A" rating by CRISIL for SMEs in December 2009 which indicates "Highest performance capacity and highest financial strength".

Our principal competitive strengths include the following:

1. Strategic location of our manufacturing units and strong skilled craftsmen base
2. Quality of our products
3. Insulation from fluctuations in prices of raw materials
4. Strong in house designing capabilities
5. Strong sales and marketing network
6. Experience of our Promoters and a strong management team

For details, please refer to "Business Overview – Competitive Strengths" beginning on page 84 of this Red Herring Prospectus.

Quantitative Factors:

Information presented in this section is derived from our audited restated standalone financial statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for deciding the price, are as follows:

1. **Earnings per Share (Basic & Diluted EPS) (Pre-Bonus)**

Year	Basic EPS (Rs.)	Weights	Diluted EPS (Rs.)	Weights
Year ended March 31, 2009	61.78	3	54.57	3
Year ended March 31, 2008	41.82	2	41.29	2
Year ended March 31, 2007	38.64	1	22.64	1
Weighted Average	**51.27**		**44.82**	

2. Earnings per Share (Basic & Diluted EPS) (Post-Bonus issue on September 23, 2009)

Year	Basic EPS (Rs.)	Weights	Diluted EPS (Rs.)	Weights
Year ended March 31, 2009	30.89	3	27.29	3
Year ended March 31, 2008	20.91	2	20.65	2
Year ended March 31, 2007	19.32	1	11.32	1
Weighted Average	**25.64**		**22.41**	

The basic and diluted EPS on a standalone basis for the six months ended September 30, 2009 was Rs. 18.19 (not annualized).

3. Price/Earning (P/E) ratio in relation to Issue Price of Rs. [•]

a. Based on fiscal 2009 Diluted EPS (after bonus issue of Rs. 27.29) – [•]

4. P/E for Gems and Jewellery Industry

Particulars	Industry P/E*
Highest	87.00
Lowest	4.50
Average	17.20

**(P/E for trailing twelve months)*

Source: Dalal Street Journal March 14, 2010

5. Return on Net Worth (RoNW)

Year	RoNW (%)	Weights
Year ended March 31, 2009	33.31	3
Year ended March 31, 2008	33.45	2
Year ended March 31, 2007	51.39	1
Weighted Average	**36.37**	

The RoNW for the six months ended September 30, 2009 was 16.64 % (not annualized).

Minimum return on increased Net Worth required to maintain pre-Issue Diluted FY 2009 EPS (after bonus of Rs. 27. 29) – [•]

Net Asset Value per share (NAV)*

Particulars		NAV (Rs.)
As at March 31, 2009		148.17
As at March 31, 2009 after bonus issue on September 23, 2009		74.09
As at September 30, 2009		99.01
After Issue at Issue price		[•]
Issue Price per Equity Share	[•]	

**NAV on Equity Share of Face Value of Rs.10/-*

Issue Price per Equity Share will be determined on conclusion of book building process.

Comparison with industry peers

We are one of the largest manufacturers and exporters of handcrafted gold jewellery in India. Being in the manufacturing of handcrafted gold jewellery, our company is not exactly comparable with the listed Indian players. However, we have drawn comparison with the listed company mentioned hereunder based on the sector our company operates in.

Name of the Company	Face Value of Equity Shares (Rs.)	Market Price as on March 2, 2010(Rs.)	FY 2009 EPS (Rs.)	P/E Ratio	RONW(%)	NAV (Rs.)
Shree Ganesh Jewellery House Limited (FY 2009)**	**10**	**-**	**61.78**	**-**	**33.31**	**74.09**
Rajesh Exports Limited	1	102.00	3.40	30.00	9.60	35.50
Titan Industries Limited	10	1,788.10	35.80	49.94	28.80	124.20

Earnings per share, Return on Net Worth and net asset value are based on last audited financial results for the period ending March 31, 2009

Source : Source: Dalal Street Journal March 14, 2010

*** fully diuted EPS after bonus issue & NAV per share after bonus issue*

Issue Price of Rs. [•] is [•] times of the face value at the lower end of the price band and [•] times of the face value at the higher end of the price band. The Issue Price of Rs. [•] has been determined by us and the Selling Shareholder in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors.

The BRLMs belive that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. See the chapter titled "Risk Factor" beginning on page xv of the Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the Auditors' Report in the "Financial Statements" on page 158 of the Red Herring Prospectus to have a more informed view.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Shree Ganesh Jewellery House Limited
413 Varddan Market,
25A Camac Street,
Kolkata – 700 016

Dear Sirs,

Statement of Possible Tax Benefits available to the Company and its shareholders

We hereby report that the enclosed statement states the possible tax benefits available to the Company under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income tax Act, 1961 and other Direct Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

In the Statement, we have considered the proposals in the Finance (No 2) Bill, 2009

We do not express any opinion or provide any assurance as to whether:

1. the Company or its shareholders will continue to obtain these benefits in future; or
2. the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Shree Ganesh Jewellery House Limited. We shall not be liable to Shree Ganesh Jewellery House Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Thanking You

Yours Faithfully
For J.K.Chanda & Associates

J.K.Chanda
Proprietor

Date: March 2, 2010

Chartered Accountants Mem.No.052602 Place: Kolkata

Statement of Tax Benefits

Special Tax Benefits

Under the Income Tax 1961 (the Act)

Tax benefit under section 10A & 10AA of the Act subject to satisfying conditions of the Sections are as follows:

1. The Company has three its' own manufacturing units in Manikanchan Special Economic Zone, Salt Lake, Kolkata, State of West Bengal

   For the Unit-I located at Manikanchan Special Economic Zone, Salt Lake, Kolkata and started production with effect from 27th July, 2004 i.e. Assessment Year 2005-06 – 100% Profit and Gains from exports of the Unit are eligible for deduction under Section 10A of the Act upto Assessment Year 2011-12

   For Unit-II located at Manikanchan Special Economic Zone, Salt Lake, Kolkata and started production with effect from 18th March, 2009 i.e. Assessment Year 2009-10, the Profit and Gains derived from the exports shall be eligible for deduction under section 10AA of the Act as under:

   100% of such Profit and Gains for the First 5 (Five) consecutive Assessment Years i.e. upto Assessment Year 2013-2014.

   50% of such Profit and Gains for next consecutive 5 (Five) Assessment years i.e. upto Assessment Year 2018-2019.

   50% of such Profit and Gains for next consecutive 5 (Five) Assessment Years i.e. upto Assessment Years 2023-2024 subject to satisfying further conditions as specified in Section 10AA (2) of the Act.

   For Unit-III located at Manikanchan Special Economic Zone, Salt Lake, Kolkata and started production with effect from 8th January, 2010 i.e. Assessment Year 2010-11, the Profit and Gains derived from the exports shall be eligible for deduction under section 10AA of the Act as under:

   100% of such Profit and Gains for the First 5 (Five) consecutive Assessment Years i.e. upto Assessment Year 2014-2015.

   50% of such Profit and Gains for next consecutive 5 (Five) Assessment years i.e. upto Assessment Year 2019-2020.

   50% of such Profit and Gains for next consecutive 5 (Five) Assessment Years i.e. upto Assessment Years 2024-2025 subject to satisfying further conditions as specified in Section 10AA (2) of the Act.

2. The Company's 100% subsidiary namely Easy Fit Jewellery (P) Ltd. also has one manufacturing Unit at Special Economic Zone, Salt Lake City, Kolkata, State of West Bengal.

   For the unit of 100% subsidiary located at Manikanchan Special Economic Zone, Salt Lake, Kolkata and started production with effect from 9th February, 2009 i.e. Assessment Year 2009-2010, the Profit and Gains derived from exports shall be eligible for deduction under section 10AA of the Act as under:

100% of such Profit and Gains for the First 5 (Five) consecutive Assessment Years i.e. upto Assessment Year 2013-2014.

50% of such Profit and Gains for next consecutive 5 (Five) Assessment years i.e. upto Assessment Year 2018-2019.

50% of such Profit and Gains for next consecutive 5 (Five) Assessment Years i.e. upto Assessment Years 2023-2024 subject to satisfying further conditions as specified in Section 10AA (2) of the Act.

There are no special tax benefits available to the shareholders of the Company.

General tax benefits to the Company

1. As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax.

2. As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:

   a. Income received in respect of the units of a Mutual Fund specified under section 10(23D); or

   b. Income received in respect of units from the Administrator of the specified undertaking; or

   c. Income received in respect of units from the specified company:

3. As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the Company.

4. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.

5. Under section 35D of the Act, the Company will be entitled to a deduction equal to 1/5th of the expenditure incurred of the nature specified in the said section, including expenditure incurred on present issue, such as underwriting commission, brokerage and other charges, as specified in the provision, by way of amortisation over a period of 5 successive years, beginning with the previous year in which the business commences or after the commencement of its business in connection with the extension of its industrial undertaking or in connection with setting up a new industrial unit, subject to the stipulated limits.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a “long term specified asset” within a period of six months after the date of such transfer, subject to the limit of Rupees.Fifty lacs in a year.

7. As per section 111A of the Act, short term capital gains arising to the Company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

8. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

a. 20% of the capital gains as computed after indexation of the cost; or

b. 10% of the capital gains as computed without indexation.

9. The amount of tax paid under section 115 JB by the Company for any assessment year beginning on or after 1st April, 2010 will be available as credit to the extent specified in section 115 JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115 JAA.

General tax benefits to members

(A) Resident Members

1. As per section 10(34) of the Act, income earned by the resident member by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising to the resident member from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.

3. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

a. 20% of the capital gains as computed after indexation of the cost; or

b. 10% of the capital gains as computed without indexation.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

6. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, with in a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

(B) Non-Resident Indian Members

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

4. In accordance with section 112 of the Act, the tax on capital gains on transfer of listed securities or units or zero coupon bonds where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

c. 20% of the capital gains as computed after indexation of the cost; or

d. 10% of the capital gains as computed without indexation.

5. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilised, with in a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

8. In accordance with section 115E, income from investment or income from long- term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% .Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the act), shall be chargeable at 10%.

9. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gain arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset.

10. In accordance with section 115G, it is not necessary for a Non resident Indian to file areturn of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act.

11. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provision of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

12. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

13. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

(C) Foreign Institutional Investors (FII's)

1. As per section 10(34) of the Act, income earned by way of dividend income from the domestic company referred to in section 115-O of the act is exempt from tax.

2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

4. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

Nature of income rate of tax (%)

- Long term capital gains 10%

- Short term capital gains (other than referred to in section 111A) 30%

- In case of long term capital gains, (in cases not covered under section 10(38) of the Act),the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

(D) Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

(E) Venture Capital Companies / Funds

As per section 10(23FB) of the Act, all Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, under section 115U of the Act, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

Under the Wealth Tax Act, 1957

"Asset" as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

Under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax under the Gift Tax Act, 1958.

Notes:

(i) In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.

(ii) The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

(iii) All the above benefits are as per the current tax laws (including amendments made by the Finance (No. 2) Bill 2009), legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.

(iv) Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

(v) This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Facts and other statistics in this section have been derived from various market data and online sources that is believed to be reliable. The source of all such data has been given at suitable places. However, our Company cannot guarantee the quality or reliability of such source of materials. While we have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by our Company or any of its affiliates or advisers and, therefore, our Company makes no representation as to the accuracy of such facts and statistics.

Gems and Jewellery is primarily used to decorate and adorn. The demand for different types of Gems and Jewellery is influenced by several factors like buyers preferences, properties, varieties, unit values, applications, etc. The gems and jewellery sector in India can be categorized into the following sub-sectors based on characteristics, processing, techniques, preciousness in terms of price range and marketability.

Sr. No.	Category	Sub-category
1.	Gemstones	Diamonds
		Coloured stones – precious, semi-precious, synthetic
2.	Jewellery	Plain gold Jewellery
		Studded Jewellery
		Silver Jewellery
		Costume Jewellery
3.	Pearls	-

Indian Gems and Jewellery industry

According to World Gold Council (WGC), the Indian jewellery market currently is worth about Rs.700 bn (USD14.58 bn). Of this, the urban jewellery market is valued at Rs.280 bn (USD5.83 bn) and the rural & semi-rural market is valued at Rs.420 bn (USD 8.75 bn). Gold jewellery forms around 80% of the Indian jewellery market (approx. Rs.560 bn (USD 11.67 bn)), with the balance comprising fabricated studded jewellery that includes diamond studded as well as gemstone studded jewellery. While a predominant portion of gold jewellery manufactured in India is for domestic consumption, a predominant portion of rough, uncut diamonds processed in India in the form of either polished diamonds or finished diamond jewellery is exported.

The Indian gems and jewellery industry is competitive in the world market due to its low cost of production and availability of skilled labour. The industry employs over 1.30 mn people directly and indirectly. In addition, the industry has a worldwide distribution network, which has been established over a period of time.

The Indian gems and jewellery sector is largely unorganized at present. There are over 100,000 jewellery manufacturing units throughout India and about 6,000 players in the domestic diamond processing industry. There are about 450,000 goldsmiths spread throughout the country. India was one of the first countries to start making fine jewellery from minerals and metals and even today, most of the jewellery made in India is handmade.

Family jewellers, who constitute nearly 96% of the market, dominate the industry. Organised players have, however, been growing steadily carving a 4% market share. As India's jeweller' market matures, it is expected to get more organised and the share of family jewellers is expected to decline.

Importance to Economy

The Gems and Jewellery industry has an important role in the Indian economy. It is a leading foreign exchange earner for Indian economy. India is the largest consumer of gold in the world. Apart from its historical religious significance, gold is valued as an important savings and investment vehicle.

The Gems and Jewellery industry contributed around 12.52% of India's exports during FY 2008-09. For FY 2008-09 the Indian gems and jewellery industry exports have witnessed a growth of 1.49% (in $ terms) with total gems and jewellery exports reaching US$ 21.23bn as compared to US$ 20.92bn during the corresponding period.

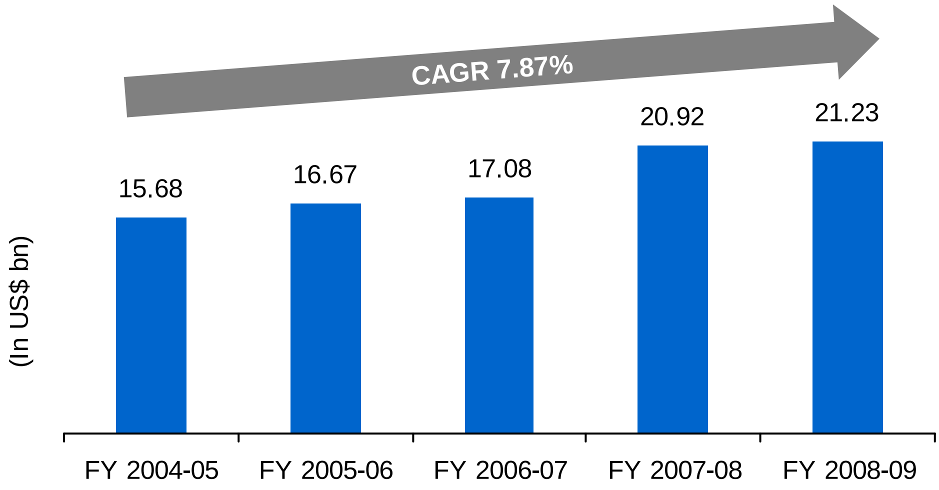
Gold jewellery exports, which primarily drove the growth in this sector, witnessed a remarkable increase of 23.61% (in $ terms) from US$ 5.56 bn to US$ 6.87 bn in FY 2008-09. The table below shows component-wise breakup of exports by gems and jewellery industry. Cut and polished diamonds form a major component of exports and along with gold jewellery constitute more than 90% of the total gems and jewellery export.

Exports of Gems & Jewellery during April 08 – March 09 vis-à-vis last year

ITEMS	April 08- Mar 09		April 07- Mar 08		% growth / decline over previous year	
	Rs. in Crores	US $ in Million	Rs. in Crores	US $ in Million	Rs.	US $
Cut & Polished Diamonds	58,792.47	13,056.29	57,158.62	14,205.312	2.86	-8.09
(Quantity in Lakh Carats)	402.05		431.54			
Gold Jewellery	30,957.80	6,874.93	22,379.43	5,561.83	38.33	23.61
DTA	9,402.90	2,088.14	11,639.66	2,892.56	-19.22	-27.81
EPZ/SEZ	21,554.90	4,786.79	10,739.77	2,668.93	100.70	79.35
Coloured Gemstones	1,197.58	265.95	1,111.67	276.28	7.73	-3.74
Others	1,187.52	263.71	1,251.92	311.13	-5.14	-15.24
Total	92,135.37	20,460.89	81,901.64	20,354.55	12.50	0.52
Exports of Rough Diamonds	3,747.94	771.69	2,280.32	566.72	52.39	36.17
(Quantity in Lakh Carats)	306.36		287.01			
Total Exports	**95,610.31**	**21,232.58**	**84,181.96**	**20,921.27**	**13.58**	**1.49**

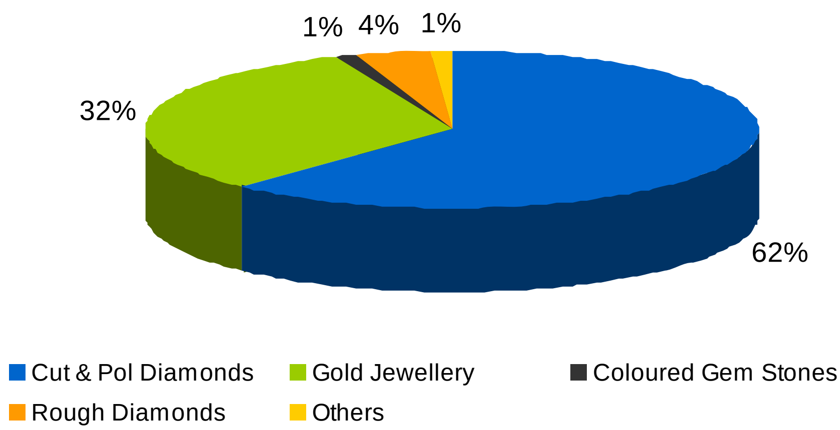
Source:GJEPC 43rd Annual Report 2008-09

The export of Gems and Jewellery has been growing at a CAGR of around 7.87%.



Source: GJEPC 43rd Annual Report 2008-09 and website of GJEPC: www.gjepc.org

The segments of Gems and Jewellery exports for FY 2008-09



Source: GJEPC 43rd Annual Report 2008-09

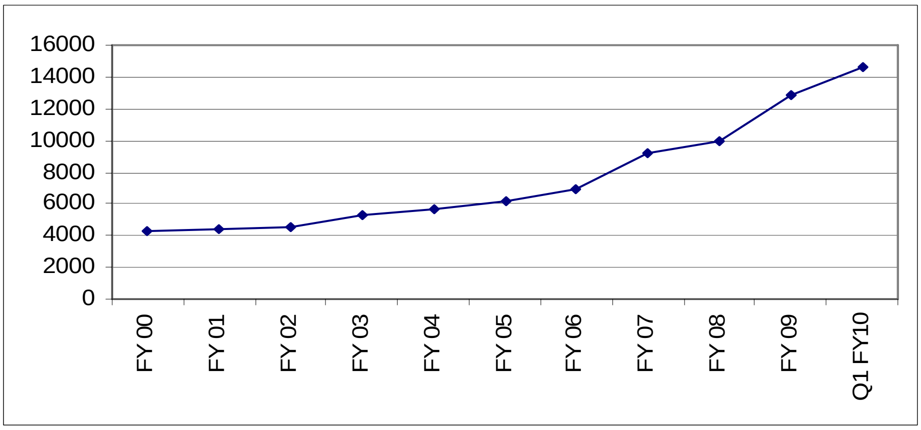
The Indian gems and jewellery industry primarily comprises of gold and diamond jewellery.

1. Gold

The proportion of gold used in jewellery is measured on the carat (or karat) scale. A carat is 1/24, (i.e. 1 part in 24 by weight). 18-carats is therefore 18/24 or 75% gold and 22- carats would be 91.67% gold. In India, Middle East and South East Asia most jewellery is of 22-carats. Across the world, a wide variety of caratage is favored ranging from 8 to 24 carats. For example, in the USA and UK, gold jewellery is not treated as an investment but purely as an ornamental item and therefore the caratage can vary from 8-18 carats. While 14 carat gold jewellery is favored in USA, 9 carat is popular in the UK.

Cost of gold forms the most significant cost element of the entire manufacturing process. Since Gold price moves on daily basis, it becomes imperative to manage the gold prices in such a way that input price of gold, i.e. price of imported gold bullion matches with the price realization from the sales of gold jewellery. Following graph shows the movement in the prices of gold in the Indian market over the past decade.

Gold Price in India – Rs. per 10 gram



Source: Prowess Software

Gold Production

India's production of gold was estimated at about 2.4 tonnes during the FY2009, as compared to 2.5 tonnes during FY 2008. Comparing to the world production, India's share is negligible. India is the largest consumer of gold in the world followed by China and Japan. India consumes nearly 800 tonnes of gold accounting for around 22% of the world gold consumption and nearly 550-600 tonnes of this goes into jewellery consumption. However, due to recessionary conditions since September 2008, gold imports in CY 2008 dipped by 47% to 402 tonnes. In the 1st half of CY 2009, imports stood at 45-50 tonnes due to lower demand on account of higher gold prices. The major suppliers to India include Switzerland, South Africa, Australia, Hong Kong, and UAE.

The other key factors influencing supply of gold are central bank sales and scrap sales. As banks are allowed to sell in open markets subject to abiding by 'The New Central Bank Agreement, 2004', many central banks of Switzerland, UK and Portugal have sold large quantities of gold, taking advantage of the rising prices. Gold can be easily recovered from its used form as it can easily be melted, re-refined and re-used. Scrap sales contributed to about 25-30% of the overall gold supply in the last five years.

Gold Jewellery

In India, gold has played a pivotal role in the social fabric. Gold jewellery is the preferred form of jewellery worn by women in India irrespective of their religious belief. Buying of gold is an important part of every stage of an Indian citizens life- at birth, marriage, construction of home, festivals, religious ceremonies, setting up of new business, etc. Traditionally, studded jewellery with stone embellishments has been in high demand around the September-October festival season, which climaxes with the major Hindu festival Diwali in late October to early November. Akshaya Tritiya, falling on April or May, has also become an important day to buy gold. Purchases on this day are considered auspicious.

India has well-established capabilities in making hand-made jewellery in traditional as well as modern designs. Indian hand-made jewellery has always had a large ethnic demand in various countries with sizeable Indian immigrant population such as the Middle East and South-East Asian countries.

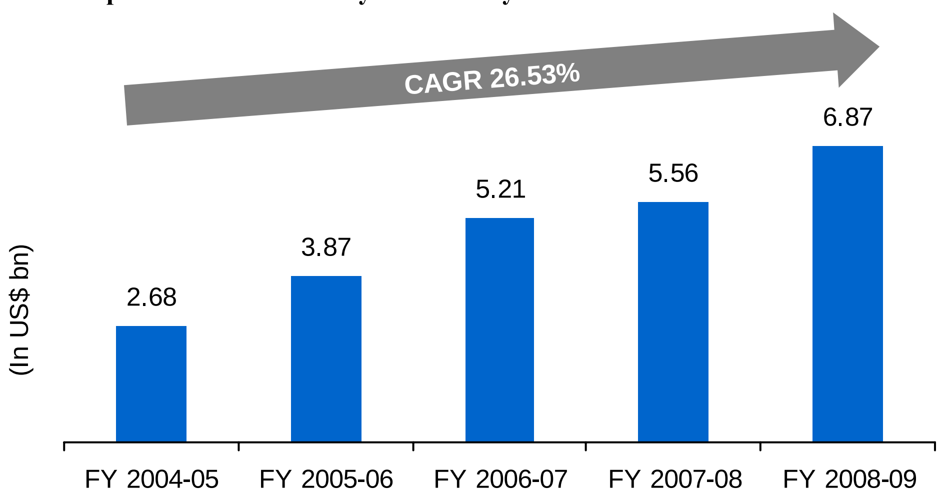
In recent times, India has also developed capabilities in machine-made jewellery. With imported or domestic processed studding, Indian machine made jewellery is expected to generate demand from non-ethnic jewellery markets such as USA & Europe.

As India has a relatively low production of gold domestically, the majority of gold demand is met through imports. In FY 2009 India accounted for 0.10% of total gold production and is the largest importer of gold in the world. A sizeable portion of gold jewellery manufactured every year in India also comes from recycled gold.

Sales of gold jewellery are highly sensitive to income levels and price levels. The major cost in gold jewellery is the cost of raw material which is gold. The sale of gold jewellery is to a large extent dependent on purchases that are based on faith in the retailer. Consequently the gold jewellery market is extremely fragmented with a low share to the organised sector.

India's exports of gold jewellery were US$ 6.87bn for the FY2008-09. Gold jewellery exports from India have grown at a CAGR of over 26.53% for the past five years.

India's Exports of Gold Jewellery over last 5 years:



Source: GJEPC 43rd Annual Report 2008-09 and website of GJEPC: www.gjepc.org

U.A.E., U.S.A. and Singapore are the major export destinations and together they constitute approximately 80% of gold jewellery exports from India in FY 2008-09.

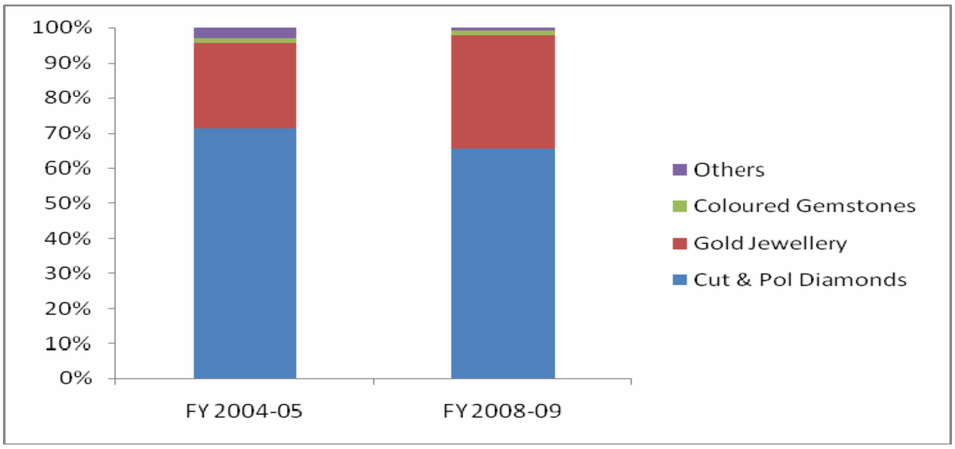
Destination-wise Exports of Gold Jewellery for FY 2008-09 and FY 2007-08

Country	FY 2008-09		FY 2007-08	
	In USD mn	% to total	In USD mn	% to total
UAE	4,193.53	61.00	2,441.96	43.91
USA	1,337.52	19.46	1,960.58	35.25
Singapore	422.00	6.14	213.39	3.84
Hong Kong	369.90	5.38	407.00	7.32
UK	168.26	2.45	195.49	3.51
Kuwait	35.26	0.51	12.61	0.23
Germany	33.72	0.49	46.23	0.83
Belgium	27.17	0.40	42.13	0.76
Spain	26.23	0.38	32.32	0.58
Others	261.34	3.80	210.12	3.78
Total	**6,874.93**	**100.00**	**5,561.83**	**100.00**

Source: GJEPC 43rd Annual Report 2008-09

The share of gold jewellery in India's exports of gems and jewellery increased from 24.32% in FY 2004-05 to 32.47% in FY 2008-09, an indication of growing acceptance in the world market. Additionally, exports of gold jewellery from SEZs/ EPZs have increased from USD 2.67 bn in FY 2008 to USD 4.79 bn in FY 2009 which is an increase of 79.40%. This reflects that the share of the organized players in exports of gold jewellery is increasing.

Share of Gold Jewellery has increased in India's exports of Gems and Jewellery



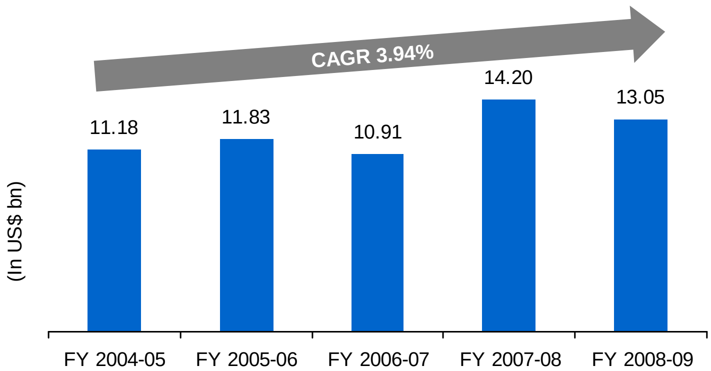
Source: GJEPC 43rd Annual Report 2008-09 and website of GJEPC: www.gjepc.org

Diamonds

The diamond processing industry in India has traditionally been one of the largest components of the global trade in diamonds. India occupies a prominent place in the global diamond industry and has established its position as the largest exporter of cut and polished diamonds in the world. The diamond industry is largely dependent on the supply of rough diamonds. Australia, Botswana, Russia and South Africa are the major suppliers of rough diamonds and constitute most of the diamond mining markets. Rough diamonds produced at the mines are distributed for further processing to cutting and polishing centers around the world

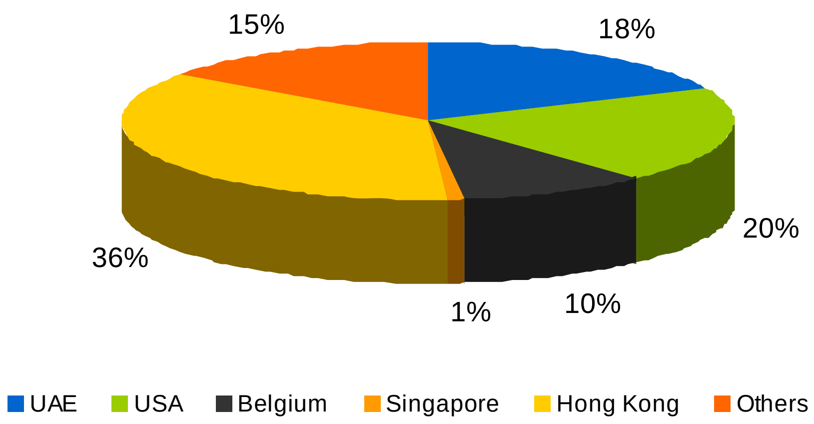
India, China, Israel and Belgium are the leading countries engaged in the diamond cutting and polishing industry globally. India accounts for approximately 80% share in terms of carat and 90% in terms of pieces. India's dominance in the cutting and polishing segment can be attributed to superior craftsmanship, low cost of Indian labour and superior technology. The major export destinations for cut and polished diamonds from India are USA, Hong Kong, Belgium and UAE. The details of the growth in exports of Indian cut and polished diamonds are given below:

India's Export of cut and polished diamonds over last 5 years:



Source: GJEPC 43rd Annual Report 2008-09 and website of GJEPC: www.gjepc.org

Destination-wise Exports of Cut and Polished diamonds from India for FY 2008-09



Branded Jewellery

Jewellery retailing in India is undergoing a slow transformation from a largely unorganised sector to a more organised one. While the family owned jewellery store remains the predominant retail format, new formats such as boutiques, supermarkets and gold souks are emerging for jewellery retail.

Branded jewellery has been a relatively recent phenomenon in India. The branding of jewellery in India follows international trends where most jewellery is sold as a fashion accessory or as everyday wear. Branded jewellery is therefore positioned as a lifestyle and personality statement. Another key development in branded jewellery has been the introduction of value added services such as the certification of gold and diamonds, and lifetime return and buy-back schemes. These trade practices have resulted in the perception of superior quality associated with branded jewellery. The new generation of jewellery purchasers prefers to buy branded jewellery.

Retailing Formats for Branded Jewellery in India

There are broadly three retail formats followed by branded jewelers in India:

- Exclusive outlets at malls and other key shopping centers in major cities showcasing various models of the brand;
- Kiosks/displays in departmental outlets and malls; and
- Display of branded jewellery in shops of local jewelers

Indian customers are displaying growing preference for quality, designs and branding. Since the early years after 2002, the Indian jewellery market in urban areas has witnessed a shift in the consumer preferences where jewellery began to be purchased and prized for its aesthetic appeal rather than solely as an investment option. Branded Jewellery has been showing a healthy growth rate of 20- 30%. This is primarily on account of the following enabling factors, which continue to grow in scale and importance for the branded retail jewellery market:

- Greater disposable incomes amongst the younger age group who want to purchase jewellery that has both utility and design,

- Branded jewellery being promoted by high-profile reputed companies who guarantee the purity of gold, which was earlier only guaranteed by virtue of the relationship and trust between the jeweler and the customer. Leading branded retail players have life-long exchange programs and other such novel schemes to increase customer confidence in their brand, and,

- Consumer focus is shifting towards a more balanced consideration of gold purity and design while purchasing jewellery.

With these enabling factors, the demand for branded jewellery is further expected to increase. There is also an increasing demand for diamonds, coloured gems, synthetic stones and other gems. The change in the preferences of the buyers can be seen in the following analysis:

Traditional Practice	**Emerging Trends**
Jewellery considered an investment.	"Wearable" Jewellery as a source of fashion accessory and gifting.
Marriage and festival seasons are peak seasons	Wearability and gifting dimensions are distributing demand throughout the year.
Dependence on the family Jeweler in the locality	Growing interest in brands which personify quality and trust.
Traditional, ethnic and chunky designs	Demand for fashionable, lightweight and innovative designs.
Jewellery largely sold on prevailing gold price per gram plus margin	Jewellery is being sold on a fixed price basis by branded jewelers

Demand Drivers for the Gems and Jewellery industry

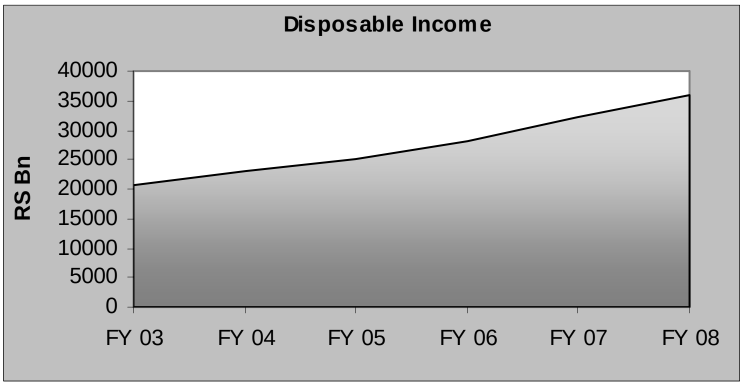
Traditional demand – Festivals and Wedding

Indians have an inherent culture of buying gold during festivals like Diwali, Akshaya Tritiya, Dussehra etc and on the occasion of weddings. Even in modern times, gold is Indian bride's "streedhan" (considered as her personal wealth) which she receives from her parents during marriage and remains with her. Gold is bought more for its investment value than consumption.

Increasing affluent and middle class population

Data from National Council for Applied Economic Research (NCAER) indicates that India's income-earning population will expand by 8% from 26% in FY06 to 34% in FY10. Even the upper-middle class population is expected to rise from 7% to 10% during the same period. These two segments are expected to fuel consumption growth of luxurious items and this bodes well for the jewellery industry. Disposable income in India increased at a CAGR of 11% since 1997. The median age of Indians is 24.8 years, one of the lowest in the world compared to 35 in US and 33.6 in China. The urban population which currently accounts for 30% of the total population is expected to increase to 40% by the year 2020. With rising young population, the jewellery industry has significant potential for growth.

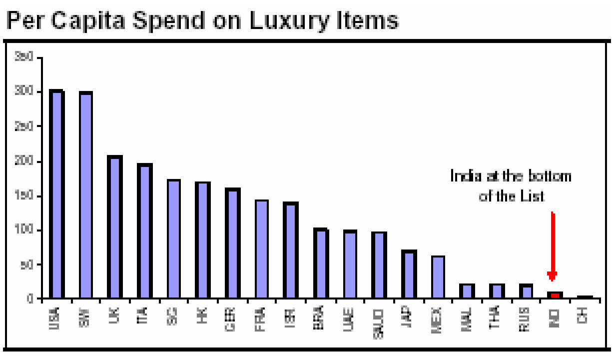
Increasing Disposable Income



Source: Centre for Monitoring Indian Economy (CMIE)

Shift in buying patterns

Increasing urbanisation, higher percentage of younger population, more working women and easy availability of credit cards have all led to impulse buying and preference for a better lifestyle. The neo-rich with inclination to buy high-end gadgets like mobile phones, i-pods, watches etc are purchasing jewellery in modern and aesthetic designs as a fashion statement. As per the National Sample Survey data, in urban India the share of essential items like food, clothing, electricity & fuels and footwear in the total average annual per capita consumption expenditure has reduced whereas the share of durable goods has increased, which reflects the changing preferences of consumers. However, inspite of the increasing preference for luxury items, the per capita spending by an Indian is lowest in the world.



Source: CARE Research

Technology

The Indian gems and jewellery industry has made rapid strides in design, powered by a new generation of young, professionally trained, technology driven designers. Many of India's jewellery manufacturing facilities are equipped with the latest CAD / CAM and other advanced design systems. Technology solutions are also available for production control, supply chain and inventory management in the jewellery industry. The Special Economic Zones and Gems and Jewellery Parks developed in different states offer technology-enabled environments that are conductive to growth and quality production.

The gems and jewellery industry in India is a good blend of modern manufacturing and design techniques with traditional skills of the Indian artisan. The Indian industry is also compliant with international norms such as the Kimberly Process and the Patriot Act, etc.

With well-established capabilities across the value chain, India is an attractive potential market in the gems and jewellery sector.

SWOT Analysis

Strengths	Weaknesses
• Key export revenue generating industry for India and contributed to 12.52% of the country's total exports in FY09. • Provides high employment opportunities. • Ample availability of skilled labour at competitive prices. • Hand crafted gold jewellery is dispatched world wide. • Biggest diamond processing centre in the world and largest gold consumer. • Continuous support from the Government of India (GoI) through various business-friendly measures.	• Fragmented structure and hence lacks transparency. • Heavy reliance on global market markets especially US. • Finishing of jewellery not upto international standards. • Low level of indigenous reserves of rough diamonds and gold in India. • Removal of Generalised System of Preferences will affect gold jewellery exports.
Opportunities	**Threats**
• Mining operations to start in India. • Rising disposable income and urge to splurge on luxury goods. • Higher young population of India to drive wedding-related expenditure on jewellery. • Emergence of brands and retail chains.	• Diamond processing to start in mining nations. • Competing luxury products may eat into jewellery sales. Also, other investment opportunities like equities, MF etc to affect gold sales. • Increasing gold prices to reduce gold demand. • China and Malaysia as emerging competitors

Porters Five Force Model

Barriers to entry – Medium to high

- Cut and polished dismonds - Highly capital and labour-intensive business.
- Gold – Huge capital required for stocking and branding is emerging as a new trend.

Bargaining power of suppliers – High

- Few mining companies dominate the supply of gold and diamonds to the world. Also, mining is very critical and capital-intensive operation.

Inter-firm rivalry – High

- **The industry is highly fragmented. Also, big corporates like Reliance and Pantaloon are venturing into this business.**

Bargaining power of buyers – Low to medium

- India is a major hub of diamond polishing and cutting, hence Indian exporters have a strong market share.
- Sales of gold jewellery in India is mostly on trust and confidence on family jeweller.

Threat of substitutes – High

- Jewellery's value proposition is being changed from a cultural need to a luxury good. Electronic entertainment gadgets and other luxury goods compete with jewellery.

BUSINESS OVERVIEW

Unless stated otherwise, the financial data in this section is as per our standalone restated financial statements prepared in accordance with Indian GAAP set forth elsewhere in this Red Herring Prospectus. In this section "our Company" refers to Shree Ganesh Jewellery House Limited, while "we", "us" and "our" refers to Shree Ganesh Jewellery House Limited and its Subsidiaries, on a consolidated basis

Overview

We are one of the largest manufacturers and exporters of handcrafted gold jewellery in India and have been awarded the "Outstanding Export Performance and Contribution in the Trade for Plain Precious Metal Jewellery Exports by Unit from EoU/EPZ" for FY 2008 and FY 2009 by the Gems and Jewellery Export Promotion Council ("GJEPC"). Our products include handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones such as diamonds, rubies, emeralds, sapphires, pearls, etc. and semi-precious stones such as garnet, cubic zirconium, etc. Our portfolio includes rings, earrings, pendants, bracelets, necklaces, bangles and medallions. Our products have presence across different price points to cater to all customers across high-end, mid-market and value market segments which are designed by a team of creative designers which allows us to manage a large and diverse portfolio of designs.

Our products are primarily exported to countries such as the U.A.E, Singapore and Hong Kong and we have recorded a consistent and steady growth in our exports. Our Company's export income has grown at a CAGR of 72.71% from FY 2007 to FY 2009 and our Company's share in the India's gold jewellery exports has increased from 1.83% to 6.10% during the same period. During the FY 2007, 2008, 2009 and six months ended September 30, 2009, the Company has exported 86.73%, 94.14% 99.23% and 94.84% of our products respectively.

Our Company received the "Four Star Export House" certificate from the Joint Director of Foreign Trade, Government of India in June 2009 and have been bestowed the status of a "Nominated Agency" under the Foreign Trade Policy, which allows our Company to import precious metals directly. Our Promoters, Mr. Nilesh Parekh and Mr. Umesh Parekh, were the recipient of the "SinGem Young Achiever Award, Eastern India" in 2006, conferred by SinGems, one of India's premium institutes of jewellery designing. We have also received the EPCES Export Awards in February 2010 for Best SEZ-SSI for the year 2007-08.

We believe that our Company's restated financial performance from FY 2007 to FY 2009, viz; total income YoY grew by 55.09% in FY 2008 and 72.88% in FY 2009, export income YoY grew by 67.77% in FY 2008 and 77.81% in FY 2009, EBIDTA YoY grew by 74.65% in FY 2008 and 84.25% in FY 2009 and net profit YoY grew by 84.73% in FY 2008 and 47.73% in FY 2009, demonstrated the consistency of our Company's business growth and leadership capabilities. Additionally, our consolidated restated total income has increased from Rs. 1,47,304.38 lacs in FY 2008 to Rs. 2,94,254.86 lacs in FY 2009 which is an increase of 99.76% and our consolidated restated profit after tax has increased from Rs. 9,086.56 lacs in FY 2008 to Rs. 13,346.7 lacs in FY 2009 which is an increase of 46.88%. For the six months ended September 30, 2009, our Company's total total income, export income, EBIDTA and net profit was Rs. 1,32,580.15 lacs,Rs. 1,23,311.45 lacs, Rs. 11,851.36 lacs and Rs. 7,995.90 lacs respectively.

We were also assigned "NSIC – CRISIL SE1A" rating by CRISIL for SMEs in December 2009 which indicates "Highest performance capacity and highest financial strength".

We have four manufacturing units, located in Manikanchan SEZ at West Bengal, which is presently the only jewellery SEZ in West Bengal, spread across an area of approximately 12,338.71 sq. ft. For further details, please see "Licenses and Approvals" on page 312 of this Red Herring Prospectus. During FY 2009 and for the six months ended September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold jewellery respectively. West Bengal is known for the availability of craftsmen ("karigars") skilled in the manufacture of handcrafted jewellery. We intend to set up an additional jewellery manufacturing unit at Manikanchan SEZ to supplement the existing facilities. We also plan to expand our portfolio by commissioning a new vertical in machine made Italian and light weight jewellery at Mondalpara and at Domjur, West Bengal. For further details of the Projects, please refer to the section titled "Objects of the Issue" on page 35 of this Red Herring Prospectus. As on January 31, 2010, our Company has thirteen retail outlets and we intend to open forty six retail outlets across India including outlets under the shop-in-shop and franchisee models.

Competitive strengths

We set up our first unit at Manikanchan SEZ in 2004 with a capacity of 500 kgs of gold jewellery per year. We have set up three additional units at Manikanchan SEZ and during FY 2009 and for the six months ended September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold jewellery respectively.

Our principal competitive strengths include the following:

Strategic location of our manufacturing units and strong skilled craftsmen base

Our manufacturing units are located at West Bengal which is known for the availability of karigars skilled in the manufacture of handcrafted jewellery. Availability of skilled craftsmen at lesser costs with vast traditional knowledge and expertise in jewellery making is a key competitive strength that has established our presense in the handcrafted jewellery segment. The location of our manufacturing units, all of which are located at Manikanchan SEZ, entitles us to direct and indirect taxation benefits and expeditious custom clearances. Manikanchan SEZ's close proximity to the international airport enables the transit of our consignments easier, safer and punctual. These benefits reduce costs and consequently allow us to price our products competitively.

The infrastructural facilities at Manikanchan SEZ include high level security at the premises and uninterrupted water and electricity supply. The premises are monitored by close circuit television and security personnel. For uninterrupted power supply, double feeder power is supplied by the state electricity board which is backed up by a 3,000 KVA sub-station alongwith a 315 KVA diesel generator in case of an emergency. Water at the premises is supplied through a deep tube well, a pump house and a reservoir. The infrastructural advantages at Manikanchan SEZ ensure efficient execution of our production process.

Quality of our products

Our strength lies in understanding the requirement of the customer and our execution capabilities. This has enabled us to get repeat orders from our existing customers and attract new customers, We believe that the intricacies of our designs and quality of our products' finish enables us to get better margins on the products manufactured by us.

Insulation from fluctuations in prices of raw materials

The price fluctuation of gold, which comprises of approximately 90% of our raw materials, does not affect our margins because gold as a commodity is a pass through. The price at which our customer fixes the gold content of the jewellery determines the price at which we fix our purchase price with our vendor. Hence, we are insulated against the fluctuations in gold prices and do not indulge in any speculations on the same.

Strong sales and marketing network

We believe that one of the reasons for our success is our long term relationship with our customers. Our marketing team regularly visits both our international and domestic customers on sales trips. They also regularly solicit prospective customers by providing them with updated design catalogues. Our marketing initiatives include participation in international trade fairs and jewellery exhibitions, corporate advertisements in print medium domestically and across electronic mediums. Our customers are serviced through our sales and marketing offices at Kolkata, Ahmedabad, Mumbai, Delhi, Hyderabad, Jaipur and Bangalore.

Operating as a nominated agent

Our Company has been granted the status of a "Four Star Export House" by the Joint Director General of Foreign Trade, Government of India and have been bestowed the status of a "nominated agency" under the Foreign Trade Policy, which allows us to import precious metals directly. As a nominated agent, our Company shall be able to import gold directly for our manufacturing purposes and thereby eliminate the costs incurred on intermediaries. This allows us to price our products at competive prices.

Experience of our Promoters and a strong management team

We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Mr. Nilesh Parekh, our Chairman and Mr. Umesh Parekh, our Managing Director, have significant industry experience spanning almost two decades and have been instrumental for the consistent growth in our revenues and operations. The family of our Promoters has been associated with the jewellery industry for the last five decades. Mr. Nilesh Parekh is responsible for the overall strategic planning and policy development of our Company and is assisted by an experienced team of senior managerial personnel. Mr. Umesh Parekh heads our marketing division as well as our international operations. We also lay a strong emphasis on our in-house human resource initiatives, by focusing on hiring, training and retaining the best talent. We believe that the experience of our senior management team has translated into our product quality, increased profitability and improved margins which give us a competitive edge.

Strong in house designing capabilities

Since inception, we have developed a wide repertoire of designs which together with new creations enables us to provide a diverse range to our customers. As of January 31, 2010, our Company has 15 in-house designers who have been using both conventional and modern jewellery designing methods. These designs are developed manually as well as with the aid of sophisticated CAD and CAM machines pursuant to consultations with our customers and our marketing and products development teams. We cater to all customers across high-end, mid-market, and value market segments. Our product profile encompasses traditional, thematic, contemporary, trendy, modern and fusion designs. Our Company has also tied up with one of the leading Indian designers, Mr. Sabyasachi Mukherjee, for jewellery designing.

Our Strategies

Our strategic objective is to further consolidate our position as one of the leading manufacturers of gold jewellery by diversifying our exports to new countries, foraying into the machine made Italian and light weight jewellery segment, the international retail segment, strengthening our presence in the domestic retail segment and maximising profitability from our operations. We intend to achieve this by implementing the following strategies:

Expanding geographies, product portfolios and foraying into manufacture of machine made jewellery.

We export a significant portion of our products to various international markets including U.A.E, Singapore and Hong Kong. In FY 2008, FY 2009 and for the six months ended September 30, 2009, the export sales (as a segment) generated from our products in our international markets accounted for approximately 94.14%, 99.23% and 94.84% respectively of our Company's income from the sales of our products. Exports have been an important part of our growth and we intend to continue to pay strong emphasis on international markets. We intend to further diversify our customer base in the European, Australian, African and untapped Middle Eastern markets apart from increasing our present customer base in UAE and South East Asia.

We have incorporated a subsidiary in Singapore and intend to incorporate another subsidiary at Dubai for easy procurement of gold and for catering to the Middle East and African market. We believe that the said proposed expansion would strengthen and diversify our customer base. We propose to distribute our branded products abroad through these subsidiaries.

To achieve our export expansion plans, we intend to enhance our production capacities by expanding our existing manufacturing facilities. We also intend to continue to leverage our products and our long term relationships and credentials with our international customers to further develop and strengthen our presense in the exports market.

We intend to expand our product portfolio by increasing the production of diamond studded jewellery by setting of the proposed unit at Domjur and at the new unit at Manikanchan SEZ. We also intend to manufacture machine made gold jewellery at the proposed units at Manikanchan, Domjur and Mondalpara. We believe the said expansion would enable us to cater to a broader customer base.

Strenghting our presense in retail branded jewellery domestically and foraying into international retailing of our products

As on the date of the Red Herring Prospectus, we have thirteen retail outlets and we intend to open forty six retail outlets across India, the first of which we estimate would come up by the beginning of FY 2011. Pursuant to our retailing plans, we also propose to sell our products to retail chains or distributors, on a franchisee model, who in turn will sell it to the end customers. We also plan to venture into the overseas retail markets through overseas subsidiaries.

We carry out retail marketing of the products manufactured by us through our branded stores "Gaja". For this purpose, we have initiated brand building exercises to position ourselves as a strong brand in the Indian jewellery market. We have a tie up with Mr. Sabyasachi Mukherjee for jewellery designing and have recently launched the collection designed by him. We plan to continue to tie up with other leading designers for jewellery designing.

Setting-up of gold refining facility for old/used gold

We currently intend to set up a gold refinery plant with an annual installed capacity of 1,000 kgs of gold at our proposed unit at Domjur. The facility would refine pre-used gold which would subsequently be utilized as a raw material for jewellery manufacture. Currently, we procure refined gold from suppliers such as Al-Marhaba Trading FZC, Ibrahim Al-Sayegh Jewellery FZE, the Bank of Nova Scotia, the Standard Chartered Bank and the State Trading Corporation of India. Refining pre-used gold in-house would eliminate cost factors such as commissions, import costs and duties and other incidental expenses and reduce the basic raw material input cost. We intend to source old/used gold from government agencies, the domestic and international markets as well as through our proposed retail network. The said reduction in raw material costs would supplement our profit margins.

Pursue strategic alliances

In order to expand our operations, we intend to identify partners whose resources and capabilities are likely to enhance our business operations. We intend to enter into strategic alliances with these partners. We have entered into an agreement with Vishal Retail Limited for "Shop-in-Shop" arrangement through their existing outlets nationwide. We also plan to venture into the overseas retail market, especially in the Middle Eastern countries, the African countries and Europe, through our overseas subsidiaries.

Our Operations

Our Promoters' family has been in the business of whole-selling and marketing of jewellery since the 1950s. Our Promoters joined the family business in 1992 and incorporated a partnership firm "Shree Ganesh Jewellers" which was engaged in the business of marketing and export of gold jewellery. Our Company was incorporated in 2002 to undertake the business of manufacturing gold jewellery and in April 2003 our Company purchased the existing business of Shree Ganesh Jewellers. We set up our first manufacturing unit at Manikanchan SEZ in 2004 with a capacity to produce 500 kgs of gold jewellery per annum. We expanded our business by setting up two more units at Manikancan SEZ over the next four years and as of March 31, 2009 and September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold jewellery respectively. We predominantly export our manufactured products which is approxamately 95% of our Company's total revenues with the balance revenue attributable towards job-working and domestic retailing.

Manufacturing operations

Presently, almost all our products are manufactured at the four units at Manikanchan SEZ, having a cumulative capacity of 30,500 kgs of gold jewellery per annum which cater exclusively to the export market. Our Company also outsources approximately 0.88% of our manufacturing activities to job-workers, who are local artisans and craftsmen, under our stringent quality supervision. These products are employed for supply to the domestic market.

We also manufacture products on behalf of various third parties at our plants at Manikanchan SEZ. These third parties have orders in hand from overseas buyers and due to varying circumstances are unable to manufacture the products themselves. The order is then outsourced to us and we procure gold and manufacture the jewellery on their behalf. The finished products are then exported by us through the SEZ on behalf of the said party. The third party reimburses us for the manufacturing costs along with a commission. As of March 31, 2009 and September 30, 2009, approximately 16.43% and 4.18% of our Company's sales were derived from such deemed exports.

Our Manufacturing Facilities

Our four manufacturing units at Manikanchan SEZ are spread across an area of approximately 12,338,71 square feet and we currently undertake the manufacture of plain and diamond and other precious stones studded gold jewellery at the units. We propose to supplement our existing capacities with the proposed expansion plans, the details of which are as follows:

Proposed unit at Mondalpara

We propose to set-up a new vertical for the manufacture of plain and studded gold jewellery to meet the requirements of the export market and to supply our products to our retail stores. We also intend to set up a unit for the manufacture of machine-made Italian jewellery and a 3-line bangle manufacturing unit at the same facility. The total annual installed capacity at the Mondalpara facility is proposed to be 2,550 kgs of gold. We also plan to incorporate a hallmarking unit at Mondalpara which would enable us to hallmark our products in-house.

Proposed unit at Domjur

We propose to set up a diamond and precious stones studded jewellery manufacturing unit, an electroforming plant for manufacture of machine made gold jewellery and a gold refinery plant at Domjur, West Bengal. The annual capacity of the diamond and precious stones studded jewellery manufacturing unit is estimated to be 2,000 kgs of diamond studded jewellery, in which approximately 1.5 lac carats of diamond and other precious stones would be used.

An electroforming plant is a unit for the manufacture of machine made gold jewellery. The annual installed capacity of the electroforming plant is estimated to be approximately 2,250 kgs of gold.

We also propose to set up a gold refinery plant at Domjur, with an annual installed capacity of 1,000 kgs of gold, which would be used to refine used/old gold and utilize the refined gold in jewellery manufacturing.

Proposed unit at Manikanchan SEZ:

We propose to set up a new jewellery manufacturing unit at Manikanchan SEZ in West Bengal to supplement the existing manufacturing facility in the same SEZ. This facility would help us to diversify our customer base to the growing markets of the Europe, Australia, Africa and other parts of the world.

This new unit would comprise of an electroforming plant of an annual installed capacity of 1,100 kgs of gold jewellery, a unit of machine made Italian jewellery with an annual installed capacity of 3,000 kgs of gold, a facility for the manufacture of diamond jewellery with an installed capacity of 1,000 kgs of gold and 75,000 carats of diamond and a facility for the manufacture of bangles with an annual installed capacity of 600 kgs of gold.

For further details of the Projects, please refer to the section titled “Objects of the Issue” on page 35 of this Red Herring Prospectus.

Manufacturing Process

Our manufacturing process includes:

Sourcing of raw materials

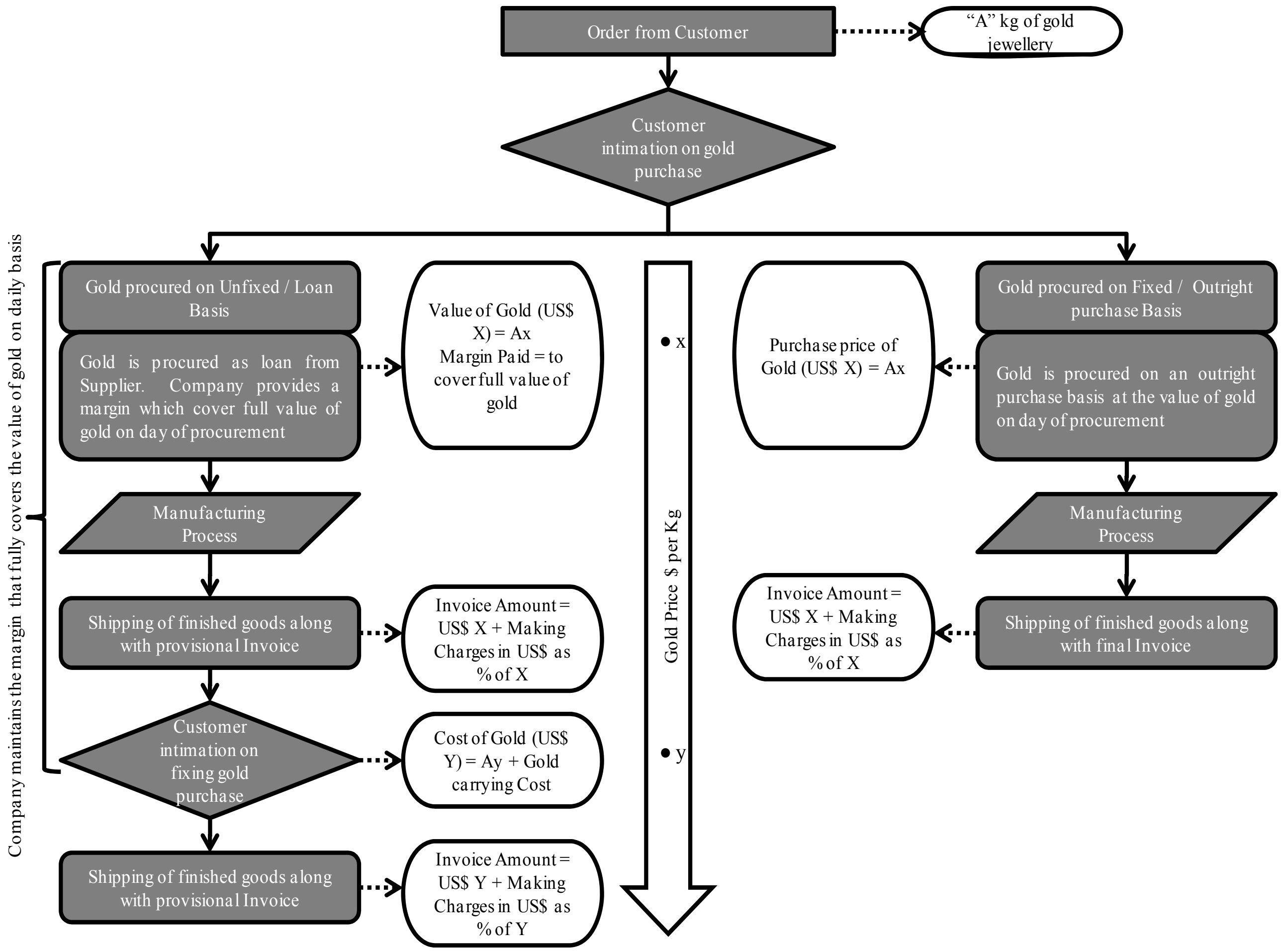
Raw materials, which we use for our manufacturing purposes, include gold, diamond and precious stones like rubies, emeralds and sapphires. Gold forms more than 90% of our raw material cost. We procure raw materials predominantly from the international markets.

Pursuant to the receipt of every new manufacturing order from the customers, we assess the quantum of gold and other precious stones that should be procured for meeting the requirements of the particular order. The customer determines whether the gold would be purchased on unfixed or a fixed basis.

In case the procurement is on an unfixed basis, we procure the gold on loan from agencies such as the Standard Chatered Bank, the Bank of Nova Scotia and the State Trading Corporation of India Limited without fixing the price. In such cases, we submit a deposit which fully covers the value of the gold received on that day. Once the product is delivered, the customer determines the day on which the price of the gold would be fixed and the same price is fixed between the customer and the supplier. The product is then priced at the gold cost on the day fixed by the customer along with gold carrying cost and the making charges.

In case the procurement is on a fixed basis, the customer intimates the day on which gold is to be procured. Pursuant to intimation we procure the gold from agencies such as Al-Marhaba. The product is then priced at the gold cost on the day the gold is procured along with the making charges.

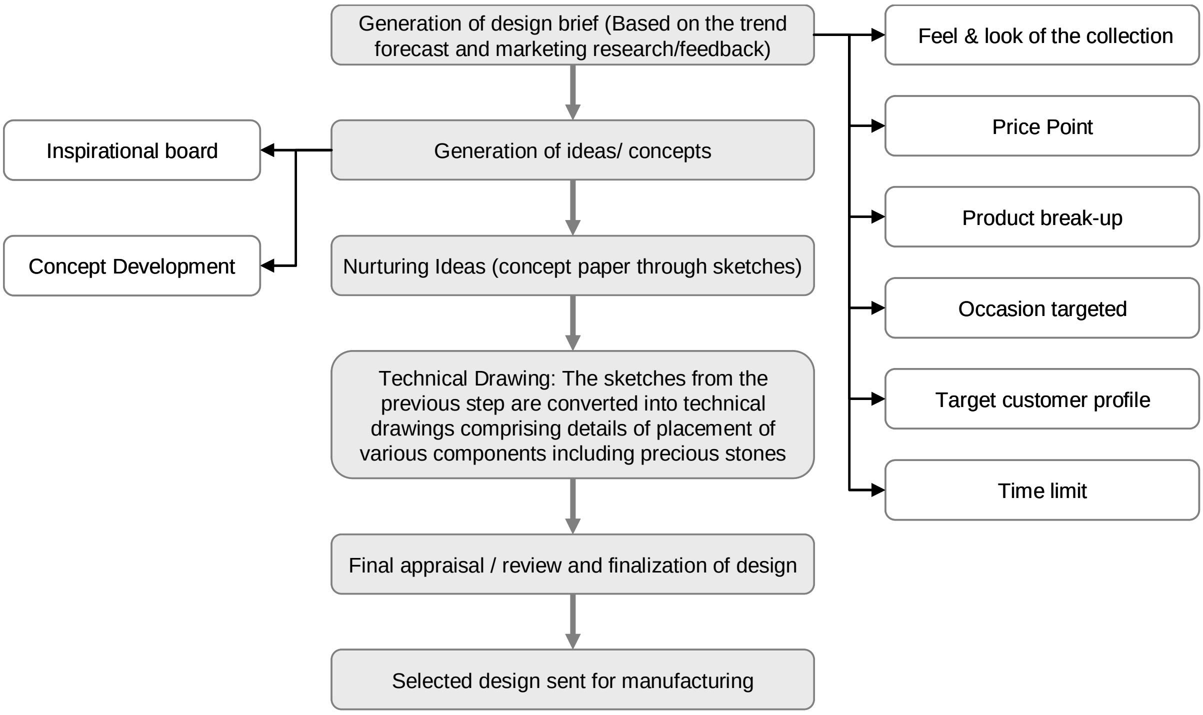
The above process is illustrated in the following diagram:



Designing

Our design studio and works are equipped with CAD/ CAM processes and electronic data processing for optimal efficiency in production and deliveries to diverse markets. We have also engaged artisans to produce prototypes as well as handmade jewellery.

We adopt the following process to develop new designs:



Production Process

After procuring the raw materials, the manufacturing of the handcrafted gold jewellery is commenced at our manufacturing units. The manufacturing is carried out by karigars, in accordance with the designs and specifications.

The following steps are involved in our manufacturing process:

Receiving the 24 carat bullion from suppliers, at our authorised premises	➔	24 carat bullion is mixed with alloys like silver and copper to get the desired purity level
		↓
Once the gold melts into liquid, it is poured from the carbon crucibles into special containers, to cool and harden into strips of desired purity.	←	The 24 carat purity gold is put into carbon crucibles and then melted at approx. 1150 degrees celsius in furnace and mixed with other alloys
↓		
Quality control is done to check purity level.	➔	The strip is then passed on to the karigars for making of different components like wires, plates, pipes etc.
		↓

Production manager distributes the components weight wise to different karigars as per design. ← Thinner wires are drawn as per requirement.

↓

Designers and the manufacturing department jointly discuss the finalized designs. The designs are as per orders and as per research feedback on latest trends forecasting. → From the plates, thinner plates are cut as per design, from the wires hollow and solid balls, collets, chains, screws, dies and mountings are made and from the pipes colets are made. These components as per design. The designing department gives the designs to the manufacturing dept, as per orders.

↓

Quality control is done by the quality control team alongwith designers to check for accuracy of design and manufacturing. ← All the different components are set on moulding wax and given a definite shape as per design.

↓

From the moulding wax, the components are transferred on plaster of paris and allowed to harden. → The different components now set in plaster of paris cast are shouldered and joined on the reverse with gold wires.

↓

The pieces are further put in Vibrating Polisher for a better shine. This stage polishes the rearside and other non-reachable corners of the piece and gives the pieces are better look. Finally the pieces are buffed and polished to give the pieces the glitter and shine. ← The pieces are taken off from the plaster of paris mould and given for acid washing. In this process the surface gets cleaned of any impurities. The pieces are washed and put in Magnetic Polisher.

↓

The pieces are weighed by the production manager to ascertain polishing & manufacturing loss. → Quality control is done for design, finish, polishing and purity.

↓

Quality Control –Finally the pieces are checked and re-checked any manufacturing defects by the quality control department. The Designing dept also plays a role during final approval of the finished piece. ← The final products are sent to the BIS approved hallmarking center where each product is hallmarked with a unique number and the BIS logo approving the quality of the product.

↓

The final pieces are ready for onward dispatch.

Our Products

Our products include handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones such as diamonds, rubies, emeralds, sapphires, pearls, etc. and semi-precious stones such as garnet, cubic zirconium, etc. Our portfolio includes rings, earrings, pendants, bracelets, necklaces, bangles and medallions.

Technology

Our business model encompasses manufacturing of hand-crafted gold jewellery and handcrafted gold jewellery studded with precious stones. Consequently, technology is not very critical for undertaking and the success of our operations and business activities. However, we use advanced technology in the form of CAD/CAM machines for our designing and model making purposes. We have installed gold hand wash machines in our manufacturing units to prevent the wastage of gold. The gold hand wash machine operates like a vacuum cleaner and sucks out gold dust from water, after our artisans have washed their hands. Some of our other crucial machinery used to manufacture studded jewellery includes wax injectors, furnaces and air compressors.

Utilities

For uninterrupted power supply at our facilities at Manikanchan SEZ, double feeder power is supplied by the state electricity board which is backed up by a 3,000 KVA sub-station alongwith a 315 KVA diesel generator in case of an emergency. Water at the premises is supplied through a deep tube well, a pump house and a reservoir. For details of unitility requirements at our proposed units, please see "Objects of the Issue" on page 35 of this Red Herring Prospectus.

Capacity and Capacity Utilization

The details of existing capacities and utilized capacity for the previous three years are given as under:

(kgs of gold)

Particulars	FY 2007	FY 2008	FY 2009
Capacity	8,500.00	12,500.00	17,500.00
Actual Production*	7,502.83	11,496.85	12,843.63
Capacity utilization (%)	88.27	91.97	73.39

**includes medallions & precious stones*

The details of projected capacity and proposed capacity for the next three years are given as under:

(kgs of gold)

Particulars	FY 2010	FY 2011	FY 2012
Capacity	30,500*	37,300	43,000
Production	15,000**	25,900	28,080
Capacity utilization (%)	49.18	69.44	65.30

**The capacity of Unit II at Manikanchan SEZ was increased to 12,000 kgs of gold per year on February 17, 2010.*

*** The production is excluding the enhanced capacity of 12,000 kgs of gold per year.*

Retail Operations

We implement retail operations of our manufactured products through the following three modes:

1. Through owned or leased shops with direct control

Through "Shop in Shop" arrangements

Through franchisee arrangements

Our retail products are marketed through our branded stores "Gaja". Currently we supply gold and studded jewellery to our domestic retail outlets out of the products manufactured on our behalf by job workers. Once our proposed projects at Mondalpara and Domjur commence commercial production, we intend to supply jewellery to the retail outlets from these units.

Owned or leased shops

We currently have four retail outlets, two of which are in Kolkata, one in Ahmedabad and one in Bangalore. We plan to open 17 additional outlets, which we believe would enable us to cater to a wider section of the Indian public. These retail outlets would be in three formats, ie, large retail outlets, medium retail outlets and small retail outlets, the location of which shall depend on our estimation of a city's potential. A large retail store is estimated to be of an area of 6,000 sq feet, a medium retail store is estimated to be of an area of 3,000 sq feet and a small retail store is estimated to be of an area of 700 sq feet. For further details, please refer to "Objects of the Issue" on page 35 of this Red Herring Prospectus.

Shop-in-Shop

Shop-in-Shop is an arrangement wherein we sell our products in a retail outlet owned and run by a third party along with the products of other companies. The ownership of our products is not transferred to the retail outlet and we are entitled to use a designated space inside the retail store for the marketing of our products. We have entered into agreements with Vishal Retail Limited for shop-in-shop arrangements through their existing outlets nationwide. Currently, we have three outlets under the shop-in-shop arrangement with Vishal Retail Limited at Ghaziabad, Gurgaon and Mathura Road, New Delhi. We plan to open 18 more outlets under the shop-in-shop arrangement with Vishal Retail Limited at eighteen different cities.

Franchisee arrangement

Under a franchisee arrangement, our products are sold in a retail outlet owned by the franchiser on an approval basis. The title to the goods is transferred to the franchiser immediately on our invoicing. We supply our products to the franchisee as per the margins described in the agreements entered with them, which are fully backed by bank guarantees provided by the franchisees.

Presently, we have six outlets on a franchisee model, one each in Jalandar, Anand, Palanpur, Chandigarh, Patiala and Bhatinda. We plan to have 11 more such arrangements across the country.

Sales and Marketing

The efficiency of the marketing and sales network is a critical success factor for our Company. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. To retain our customers, our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of such customers.

Our marketing team regularly visits both our international and domestic customers on sales trips. They also regularly provide customers with updated design catalogues. We concentrate on large orders to attain economies of scale in efficient utilisation of resources and competitive pricing. Our marketing initiatives include participation in trade fairs and jewellery exhibitions, both domestic and international, corporate advertisements in print medium domestically and across electronic mediums. Our customers are serviced through our sales and marketing offices at Kolkata, Ahmedabad, Mumbai, Delhi, Hyderabad and Bangalore.

Competition

Our Company and the jewellery industry in general face competition from the unorganized sector. In addition, we face competition domestically from numerous jewellery export houses in India such as Rajesh Exports Limited, Gitanjali Gems Limited and Modern Impex. In our retail operations, we face competition from players such as Gitanjali Gems Limited and Titan Industries (Tanishq).

Exports

We export our products to the Middle Eastern countries, Singapore and Hong Kong. More than 50% of our Company's exports are made to the Middle East and more than 95% of our Company's total revenue is derived from the exports of our products. Our Company's major customers in the export market are Su-raj Intergold DMCC, Wondercut Pte Limited, Denzong Hong Kong, Sparkle Jewellery FZE, Abhusan (S) Private Limited, Singapore, Excellency Pte Limited and Ibrahim Al Sayegh Jewellery, UAE.

Corporate Social Responsibility

We believe that our corporate social responsibility ("CSR") achieves an integration of economic, environmental and social imperatives while simultaneously addressing shareholder expectations. We use CSR as an integral business process in order to support sustainable development and we constantly endeavour to be a better corporate citizen and enhance our performance in the triple bottom line.

We contribute to, and are associated with, schools for underpriviledged children. We have funded an elementary school for children from underprivileged families. We are focused on the welfare of the economically and socially deprived sections of society. Every year, we donate part of the proceeds from the sale of our jewellery to CRY. We also donate to educational institutions which provide free education to underprivileged children.

Export Obligations

All of our existing units are located at Manikanchan SEZ and under the SEZ policies of the Government of India, we are obligated to export all the jewellery manufactured at the SEZ.

Quality Assurance

We have implemented stringent quality control processes at various stages of manufacturing of our products. The supervisor at the unit inspects the product at different stages of manufacture, which is then examined by the designers and members of the senior management. Each product is hallmarked and certified to ensure absolute transparency and quality assurance.

Human Resources

We have experienced Promoters and management whom we rely on to anticipate industry trends and capitalise on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain these talented people. Our senior management team consists of experienced individuals with diverse skills in designing, manufacturing, marketing and finance. Our principal corporate office housed in Kolkata conducts the administrative and reporting activities for us.

Hiring, recruiting and retaining

Our Company has 668 employees, including 562 karigars, as of January 31, 2010. As of date of this Red Herring Prospectus, we have no personnel who are employed on a contract basis.

Our success depends to a great extent on our ability to recruit, train and retain employees specially karigars. Accordingly, we place special emphasis on the human resources function in our organization. We hire "head" karigars from areas in West Bengal which are known for the availability of skilled karigars, such as Domjur and Malda. We hire additional karigars from villages who usually follow the head karigar.

We provide an amiable and healthy working environment to our karigars. Our manufacturing facilities are well ventilated and we provide adequate working space to our karigars. We also take care of their personal health and hygiene.

Our personnel policies are aimed towards recruiting the talent that we need, to facilitate the integration of our employees into our Company and to encourage the development of their skills in order to support our performance and growth in our operations. We have not experienced any significant labour related problems or disruptions and our management considers its relations with employees to be good. We seek to adopt an open culture and a participative management style, to enable us to maximize the benefits from the knowledge and skills of our management.

Training and development

The head karigars employed by us hire the junior karigars from the same villages and are also responsible for their training and development. We also place special emphasis on the training of our other employees to enable them to develop their skills and to meet changing requirements. As a part of our strategy to improve operational efficiency, we regularly organise in-house and external training facilities for our employees and ensure the participation of our designers in jewellery shows and exhibitions. Various training programs are organised to enhance the skills of both new and the existing employees.

Unions

We do not have any trade unions at our manufacturing units.

Enterprise Resource Planning ("ERP")

We have implemented our ERP programme under the name Microsoft Dynamics Axapta 4.0 in 2007. We have purchased the Microsoft ERP program from their business partners, Nimbus Systems Private Limited.

At present, all our retail counters are equipped with ERP oriented programs. In our ERP program, we have supply chain module and a financial module. All our stocks are generated through the system which is then bar coded by unique numbers with the details embossed on the barcodes. Thereafter, the products are transferred to various locations. Our retail system is maintained in the ERP program itself. All the accounting procedure is done through the same.

We intend to implement some other modules to minimize the workload at our offices and retail counters. We are also in the process of developing the system in a user-friendly system which may also be customized.

Health, Safety and Environment

We are committed to protecting the health and safety of our craftsmen and employees working in our factories, people who come in contact with our operations and the heath and sustainability of the environment in which we operate.

Property

Our Company owns or leases several properties across India, including for its manufacturing facilities and corporate purposes.

Set forth below is a summary of immovable properties related to our manufacturing units:

S. No.	Address	Nature of Ownership	Valid from	Validity period/date
1	Module No. 4-SW, 4th Floor, SDF Building, Manikanchan SEZ, Plot No. 1, Block CN, Sector V, Salt Lake, Dist. 24 Parganas (North)	Lease from WBIDC. We are yet to enter into a lease deed with WBIDC. We have received the possession certificate from WBIDC dated April 9, 2007	April 9, 2007	99 years
2	Module No. G-SW 5 , Ground Floor, SDF Building, Manikanchan SEZ, Plot No. 1, Salt Lake, Dist. 24 Parganas (North)	Leased from WBIDC.	October 12, 2004	99 years
3.	Module No. 2-SW, Second Floor, SDF Building, Manikanchan SEZ, Plot No. 1, Salt Lake, Dist. 24 Parganas (North).	Lease from WBIDC. Lease has been granted to our subsidiary Easy Fit Jewellery Private Limited	August 5, 2004	99 years
4.	GNE-2 in Ground Floor, SDF Building, Manikanchan SEZ, Plot No. 1, Salt Lake, Dist. 24 Parganas (North)	Lease from WBIDC. We are yet to enter into a lease deed with WBIDC. We have received the possession certificate from WBIDC dated December 17, 2009	December 17, 2009	99 years

We have acquired land for our proposed project at Domjur at Mouza Domjur, P.S. Domjur, District Howrah and at Mondalpara at No. 11, Mouza Sinthee, Premises No. 12/1, Mondal Para Lane, P.S. Baranagar, Kolkata – 700 090.

We are yet to procure the premises on which we propose to set up our new unit at Manikanchan SEZ.

For details of land procurement, please refer to “Objects of the Issue” on page 35 of this Red Herring Prospectus.

Details of offices and other properties

Set forth below are the details of the properties:

Freehold Properties:

S. No.	Address
1.	No. 9, Ram Narayan Bhattacharya Lane, P.S. Shyampukur, Kolkata – 700 006
2.	1st Floor, Building No. B-4, 98, Christopher Road, Kolkata – 700 046
3.	No. 24, Park Street, Kolkata – 700 016
4.	2A, Park Centre, 24A Park Street, Kolkata – 700 016
5.	Flat No. 05-14-1501 in The Gateway (Cluster-I), Beside South of Kona Express Highway, Howrah (W)
6.	Unit No. 1106, Eleventh Floor, Pearls Omaxe, Plot No. B-1, District Centre, Wazirpur, Delhi

Properties which have been taken on lease by our Company

S. No.	Address	Nature of Ownership	Valid from	Validity period/date
1	25A, Camac Street (Abanindra Nath Thakur Sarani), Kolkata	Sub-Lease from Mr. Shyam Sunder Sarda	April 12, 2000	99 years from June 23, 1982
2	3rd Floor, No. 2059, Gali No. 39, Block G, Gurudwara Road, Karol Bagh, New Delhi	Lease from Ms. Ashwani Singla	October 1, 2008	September 30, 2010
3	Showroom No. 202, Municipal Premises No. 6, Camac Street, Kolkata, 700 017	Leave and License from Kalindi Enclave Private Limited	June 11, 2007	33 months
4	Room No. G-02, Municipal Premises No. 227, A.J.C. Bose Road, Kolkata – 700 020	Leave and License from Swastik Wheat Products (Agencies) Private Limited	June 11, 2007	33 months
5	402, Municipal Premises No. 91 A/1, Park Street, Kolkata – 700 016	Leave and License from Safal Properties Private Limited	April 1, 2008	33 months
6	Ground Floor, No. 417, 10th Main Road, 4th Block, Jayanagar, Bangalore – 560 041	Leased from M/s Udaya Family Trust	February 1, 2009	9 years
7	Flat No. 204, H. No. 6-3-1238, Legend Apartments, Renuka Enclave, Opp. Necklace Road Railway Station, Somajiguda, Hyderabad – 500082	Leased from Mr. Bollam Thirupathi Reddy	June 1, 2009	April 30, 2010
8	Office Block No. 303, 3rd Floor, Municipal Premises No. 267/71, Kalbadevi Road, Mumbai – 400 002	Leased from Ms. Kavita Suresh Jain	August 1, 2009	July 21, 2010
9	S1, S7 SS Tower, Damani Street, Choura Rasta, Jaipur	Leased from Mr. Narendra Singh Rathore	December 4, 2009	November 30, 2011

We intend to utilize a portion of the Net Proceeds towards procurement of land at Manikanchan SEZ for setting up a new unit. For further details, please refer to "Objects of the Issue" on page 35 of this Red Herring Prospectus.

Intellectual Property

For details of our intellectual properties, please refer to "Licenses and Approvals" on page 312 of this Red Herring Prospectus.

Insurance

We have taken insurance to cover different risks which we believe is sufficient to cover all material risks to operations and revenues. We have, however, not obtained a "key man insurance" for our senior management.

Our operations are subject to hazards inherent to manufacturing units, such as risks relating to work accidents, fire, earthquake, burglary and marine transit. This includes hazards that may cause injury and loss of life, damage and destruction of property and equipment.

Indebtedness

For details of our indebtedness, refer to the section titled "Financial Indebtedness" on page 294 of this Red Herring Prospectus.

REGULATIONS AND POLICIES

We are engaged in the business of manufacturing handcrafted gold jewellery and gold jewellery studded with precious stones like rubies, emeralds and sapphires.

There are no specific laws in India governing the gems and jewellery industry in India. However our Company's units are situated in Manikanchan SEZ, which is a special economic zone, which are governed by certain policies and laws. Set forth below are certain significant legislations and regulations that generally govern SEZs in India:

Special Economic Zones Act, 2005 (SEZ Act)

The SEZ Act provides for the establishment, development and management of the special economic zones for the promotion of exports and for matters connected therewith or incidental thereto.

The units established in the SEZ are amenable to certain exemptions and concessions under certain policies and rules:

1. Exemption from duties of customs under the Customs Act, 1962
2. Exemption from Central Excise Act, 1944
3. Exemption from service tax under the Finance Act, 1994
4. Exemption from levy of the taxes on the sale or purchase of goods under the Central Sales Tax Act, 1956
5. Exemption under section 10 of the Income Tax Act, 1961
6. Treatment of supplies from DTA to SEZ on par with physical exports for the purpose of Income Tax exemptions.
7. Suppliers to SEZ entitled to physical export benefits such as drawback, advance licence, DFRC and DEPB

Gems and Jewellery Export Promotion Council

The Government of India has designated the GJEPC as the importing and exporting authority in India in keeping with its international obligations under section IV (b) of the Kimberley Process Certification Scheme (KPCS). The Kimberley Process is a joint government, international diamond and civil society initiative to stem the flow of conflict diamonds, which are rough diamonds used by rebel movements to finance wars against legitimate governments. The Kimberley Process comprises participating governments that represent 98% of the world trade in rough diamonds. The KPCS has been implemented in India from January 1, 2003 by the Government of India through communication No. 12/ 13/2000-EP (GJ) dated November 13, 2002. The GJEPC has been notified as the nodal agency for trade in rough diamonds under para 2.2, chapter 2 of the Export-Import Policy of India (2002-2007).

Government Initiatives

The Indian government has provided an impetus to the gems and jewellery industry with the following foreign trade policies:

1. 100 per cent foreign direct investment ("FDI") in gems and jewellery through the automatic route is allowed.

2. The government has lowered import duty on platinum and has exempted rough colored precious gems stones from customs duty.
3. Rough, semi-precious stones are also exempt from import duty.
4. Duty-free import of consumables for metals other than gold and platinum up to 2 per cent of freight on board value of exports.
5. Duty-free import entitlement for rejected jewellery up to 2 per cent of freight on board value of exports.
6. Import of gold of 18 carat and above under the replenishment scheme.
7. Setting up of SEZs and gems and jewellery parks to promote investment in the sector.
8. In May 2007, the government abolished import duty on polished diamonds.
9. The government has raised the limit value of jewellery parcels for export through foreign post office (including via speed post) from US$ 50,000 to US$ 75,000 and the time period for re-import of branded jewellery remaining unsold has been extended from 180 days to 365 days.
10. The export of colored gemstones on a consignment basis has been allowed.

The Government of India, in the 2009 Budget has exempted branded jewellery form excise duty.

As part of the Finance Bill, 2010, the government has proposed increase in custom duty on gold and platinum from Rs. 200 for 10 grams to Rs. 300 for 10 grams. The excise duty on refined gold made from ore or concentrate has been propsed to be changed from 8 per cent to a specific duty of Rs.280 per 10 grams.

Labour Laws

India has stringent labour related legislation. We are required to comply with certain labour and industrial laws, which includes the Industries (Development and Regulation) Act, 1951, Industrial Disputes Act 1947, the Employees' Provident Funds and Miscellaneous Provisions Act 1952, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Workmen Compensation Act, 1923, the Payment of Gratuity Act, 1972, the Payment of Wages Act, 1936 and the Factories Act, 1948, amongst others.

Factories Act, 1948

The Factories Act, 1948 ("**Factories Act**") defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the occupier of a factory, i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. Persons who design, manufacture, import or supply articles for use in a factory must ensure the safety of the workers in the factory where the articles are used. If the safety standards of the country where the articles are manufactured are above Indian safety standards, the articles must conform to the relevant foreign standards. There is a prohibition on employing children below the age of fourteen years in a factory. If there is violation of any provisions of the Factories Act or rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term up to two years and/or with a fine up to Rs.100,000 or both, and in case of such violation continuing after conviction, with a fine of up to Rs.1,000 per day of violation. In case of a contravention which results in death or serious bodily injury, the fine shall not be less than Rs.25,000 in the case of an accident causing death, and Rs.5,000 in the case of an accident causing serious bodily injury. In case of contravention after a prior conviction, the term of imprisonment increases up to three years and the fine would be Rs.300,000 and in case such contravention results in death or serious bodily injury the fine would be a minimum of Rs.35,000 and Rs.10,000, respectively.

The Employees State Insurance Act, 1948

The Employees State Insurance Act 1948, ("**ESI Act**") provides for certain benefits to employees in case of sickness, maternity and employment injury.

The ESI Act extends to the whole of India. It applies to all factories (including government factories but excluding seasonal factories) employing ten or more persons and carrying on a manufacturing process with the aid of power or employing 20 or more persons and carrying on a manufacturing process without the aid of power and such other establishments as the Government may specify.

A factory or other establishment, to which the ESI Act applies, shall continue to be governed by its provisions even if the number of workers employed therein falls below the specified limit or the manufacturing process therein ceases to be carried on with the aid of power, subsequently.

The ESI Act does not apply to the following:

1. Factories working with the aid of power wherein less than 10 persons are employed;
2. Factories working without the aid of power wherein less than 20 persons are employed;
3. Seasonal factories engaged exclusively in any of the following activities viz. Cotton ginning, cotton or jute pressing, decortication of groundnuts, the manufacture of coffee, indigo, lacs, rubber, sugar (including gur.) or tea or any manufacturing process incidental to or connected with any of the aforesaid activities, and including factories engaged for a period not exceeding seven months in a year in blending, packing or repackaging of tea or coffee, or in such other process as may be specified by the Central Government;
4. A factory which was exempted from the provisions of the Act as being a seasonal factory will not lose the benefit of the exemption on account of the amendment of the definition of seasonal factory;
5. Mines subject to the Mines Act, 1952;
6. Railway running sheds;
7. Government factories or establishments, whose employees are in receipt of benefits similar or superior to the benefits provided under the Act and Indian naval, military or air forces.

The appropriate Government may exempt any factory or establishments or class of factories or establishments or any employee or class of employees from the provisions of the ESI Act. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages upto Rs. 10,000 per month is entitled to be insured under the ESI Act. However, apprentices engaged under the Apprentices Act are not entitled to the ESI benefits. Coverage of part time employees under the ESI Act will depend on whether they have contract of service or contract for service with the employer. The former is covered whereas the latter are not covered under the ESI Act.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the "**Gratuity Act**"), an employee in a factory is deemed to be in 'continuous service' for a period of at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning, whether or not such service has been interrupted during such period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. An employee who has been in continuous service for a period of five years will eligible for gratuity upon his retirement, superannuation, death or disablement. The maximum amount of gratuity payable shall not exceed Rs.350,000.

Payment of Bonus Act, 1965

Under the Payment of Bonus Act, 1965 (the "**Payment of Bonus Act**") an employee in a factory who has worked for at least 30 working days in a year is eligible to be paid bonus. 'Allocable surplus' is defined as 67% of the available surplus in the financial year, before making arrangements for the payment of dividend out of profit of our Company. The minimum bonus to be paid to each employee is 8.33% of the salary or wage or Rs.100, which ever is higher, and must be paid irrespective of the existence of any allocable surplus. If the allocable surplus exceeds minimum bonus payable, then the employer must pay bonus proportionate to the salary or wage earned during that period, subject to a maximum of 20% of such salary or wage. The maximum bonus payable must not exceed Rs.500. Contravention of the Act by a company will be punishable by proceedings for imprisonment up to six months or a fine up to Rs.1,000 or both against those individuals in charge at the time of contravention of the Payment of Bonus Act.

Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for overtime at overtime rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of up to six months or a fine of up to Rs.500.

Workmen's Compensation Act, 1923

If personal injury is caused to a workman by accident during employment, his employer would be liable to pay him compensation. However, no compensation is required to be paid if the injury did not disable the workman for three days or the workman was at the time of injury under the influence of drugs or alcohol, or the workman willfully disobeyed safety rules. Where death results from the injury the workman is liable to be paid the higher of 50% of the monthly wages multiplied by the prescribed relevant factor (which bears an inverse ratio to the age of the affected workman, the maximum of which is 228.54 for a worker aged 16 years) or Rs.80,000. Where permanent total disablement results from injury the workman is to be paid the higher of 60% of the monthly wages multiplied by the prescribed relevant factor or Rs.90,000. The maximum wage which is considered for the purposes of reckoning the compensation is Rs.4,000.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Environmental Laws

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**WPA**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**APA**") and the Environment Protection Act, 1986 ("**EPA**").

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The EPA has been enacted for the protection and improvement of the environment. The Act empowers the Central Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The Central Government may make rules for regulating environmental pollution.

Foreign Exchange Management Act ("FEMA") and the Regulations made thereunder:

Foreign investment in Indian securities is regulated by the Foreign Exchange Management Act, 1999 ("FEMA"). Under Section 6(3) (b) of FEMA, the RBI has the authority to prohibit, restrict or regulate the transfer or issue of any Indian security by a person outside India. The RBI has prescribed the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, pursuant to which the residents of India cannot undertake any transaction with persons outside India, sell, buy, lend or borrow foreign currency, issue or transfer securities to non-residents or acquire or dispose of any foreign security without the permission (general or special) of the RBI. In terms of regulations made under FEMA and circulars issued from time to time, the RBI has accorded general permission for a range of transactions, with and without monetary limits and other conditions and restrictions.

While the industrial policy and the RBI regulations prescribe the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner/procedure in which such investment may be made. Under the industrial policy and the RBI regulations, unless specifically restricted, foreign investment is freely permitted in almost all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("**FIPB**") and the RBI. **As per current foreign investment policies, foreign direct investment in a manufacturing unit is allowed upto 100% under the automatic route.**

Fiscal Legislations

Our Company is subject to certain fiscal legislations such as the Income Tax Act, 1961, the Central Excise Act, 1944, the Customs Act, 1962 and The Central Sales Tax Act, 1956.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated under the Companies Act as a private limited company by the name of Shree Ganesh Jewellery House Private Limited pursuant to a certificate of registration no. 095086 dated August 30, 2002.

With effect from April 1, 2003, our Company purchased the existing business of Shree Ganesh Jewellers, a proprietary firm engaged in the business of manufacture and export of jewellery.

In July, 2004, we set up our first manufacturing facility at Manikanchan SEZ with a capacity of 500 kgs of gold.

On March 1, 2007, the Hon'ble High Court at Calcutta approved the scheme of amalgamation ("**Scheme**") for the amalgamation of six of our group companies, namely, Doyen Traders and Properties Privates Limited, Shree Gajanand Jewellers Private Limited, Pitty Fincon Services Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited and Creative Jewels (India) Private Limited (together the "**Amalgamated Companies**") with our Company. The Amalgamated Companies were engaged in the manufacture and export of gold jewellery.

With effect from April 1, 2006, ("**Appointed Date**"), the entire business, assets and liabilities of the Amalgamated Companies were transferred to our Company. Pursuant to terms of the Scheme, the shareholders of Doyen Traders and Properties Private Limited were allotted Equity Shares in the ratio of 3:1, the shareholders of Shree Gajanand Jewellers Private Limited were allotted Equity Shares in the ratio of 20:1 and the shareholders of Pitty Fincon Services Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited and Creative Jewels (India) Private Limited were allotted Equity Shares in the ratio of 1:1 each.

The status of our Company was converted to a public limited Company and consequently the name of our Company was changed to Shree Ganesh Jewellery House Limited, pursuant to a fresh certificate of incorporation consequent to change of name dated August 14, 2007, issued by the Registrar of Companies, West Bengal.

As on date of this Red Herring Prospectus, we are engaged in the manufacturing and exporting of handcrafted gold and studded jewellery.

Our Registered Office is located at 413, Vardaan Market, 25A, Camac Street, Kolkata – 700 016.

Major events in the history of our Company:

Year	Achievements
April 2003	Takeover of the business of Shree Ganesh Jewellers, a proprietary firm
November 2003	Received approval from the Development Commissioner, Manikanchan SEZ for setting up of our manufacturing unit at Manikanchan, SEZ.
June 2004	Set up first factory for the manufacture of jewellery at Manikanchan SEZ with a capacity of 500 kgs of gold per year.
2006	Our Promoters, Mr. Nilesh Parekh and Mr. Umesh Parekh awarded the "Young Achievers Award" by Sin Gems
April 2006	Merger of Doyen Traders and Properties Private Limited, Shree Gajanand Jewellers Private Limited, Pitty Fincon Service Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited and Creative Jewels (India) Private Limited with our Company
September 2007	Awarded SE1A rating by CRISIL indicating "Highest performance capacity and highest

Year	Achievements
	financial strength"
October 2007	Opened first branded retail jewellery store at Kolkata and Ahmedabad
October, 2007	Incorporated Shree Ganesh Jewellery House (Singapore) Pte. Limited as a wholly owned subsidiary.
2008	In the course of the financial year 2007 – 2008, our manufacturing units exceeded a capacity of 10,000 kgs of gold
March 2008	Received the "Three Star Export House" certificate from Joint Director of Foreign Trade, Government of India.
September 2008	Received the "Outstanding Export Performance and Contribution in the Trade for Plain Precious Metal Jewellery Exports by Unit from EoU/EPZ" from the Gems and Jewellery Export Promotion Council in 2007 – 2008.
March 2008	Private equity investment of Rs. 8000 lacs by Credit Suisse PE Asia Investments (Mauritius) Limited
March 2008	Crossed total sales of Rs. 1,27,380.66 lacs
March 2009	Crossed total sales of Rs 2,14,850.12 lacs
June 2009	Received the "Four Star Export House" certificate from Joint Director of Foreign Trade, Government of India.
August 2009	Received the status of a "Nominated Agency" under the Foreign Trade Policy for the purposes of Direct Import of Precious Metals. This allows us to directly import precious metals.
August 2009	Received the "Outstanding Export Performance and Contribution in the Trade for Plan Precious Metal Jewellery Exports by Unit from EoU/EPZ" from the Gems and Jewellery Export Promotion Council in 2008 – 2009.
December 2009	Assigned "NSIC – CRISIL SE1A" rating by CRISIL for SMEs in December 2009 which indicates "Highest performance capacity and highest financial strength"
January 2010	New unit at Manikanchan SEZ with capacity of 3,000 kgs of gold jewellery per year
February 2010	EPCES Export Awards for Best SEZ-SSI for the year 2007-08.

Increase in capacities of our Company

The details of increase in the capacities are as follows:

Unit I

Year	Capacity (kgs of gold jewellery)
2003 – 2004	500
2005 – 2006	1,000
2006 – 2007	4,000
2006 – 2007	6,000
2007 – 2008	10,000
2008 – 2009	15,000

Unit II

Year	Capacity (kgs of gold jewellery)
2006 – 2007	2,000
2009 – 2010	3,000
2009 – 2010	12,000

Unit III

Year	Capacity (kgs of gold jewellery)
2009 – 2010	3,000

Unit IV

Year	Capacity
2006 – 2007	50,000 pcs

Operated by our subsidiary, Easy Fit Jewellery Private Limited

Technology

Our business model encompasses manufacturing of hand-crafted gold jewellery and handcrafted gold jewellery studded with precious stones. Consequently, technology is not very critical for undertaking and the success of our operations and business activities. However, we use advanced technology in the form of CAD/CAM machines for our designing and model making purposes. We have installed gold hand wash machines in our manufacturing units to prevent the wastage of gold. The gold hand wash machine operates like a vacuum cleaner and sucks out gold dust from water, after our artisans have washed their hands. Some of our other crucial machinery includes wax injectors, furnaces and air compressors.

Raising of capital by our Company

Other than as disclosed under "Capital Structure" and "Financial Indebtedness" on pages 24 and 294 respectively of this Red Herring Prospectus, we have not raised any capital either in the form of equity or debt.

Time and Cost Overruns

As on date of this Red Herring Prospectus, there has been no time and cost overruns in the implementation of our Projects.

Changes in our Registered Office

There has been no change in our Registered Office since inception.

Our Main Objects

The main objects of our Company as contained in the Memorandum of Association are as set forth below:

1. To carry on the business of manufacturers, processors, converters, exporters, importers, suppliers, buyers, sellers, dealers, stockists, wholesellers, agents and brokers, retailers, repairers, designers,

remarkers & cleaners of jewelleries and ornaments made of gold, silver, platinum and other precious and semi precious stones or commercial stones whether artificial or natural stones and articles wherein or not set in jewellers, astrologers and commission agents.

2. To carry on the business of manufacture, import, export and deal in jewellery, packing materials, packaging, cutlery, curious, manuscripts for the purpose of jewellery business and work of art and in relation in jewellery and establish factories, show rooms, strong rooms and agencies for the jewellery business.

3. To succeed, adopt and continue the business now being carried on under the name and style of “Shree Ganesh Jewellers” (which is carried on by one of the signatories to the Memorandum and Articles of Association of the present Company) as a going concern having its office and principal place of business at 413, 25A, Camac Street, Kolkata – 700 016, including the Assets, movable and immovable, deposits, loan and advances given rights, benefits, refunds, subsides, quotas, licenses, pending suits and claims if any including application pending before any authority, secured and unsecured loan, credit facilities/ limits from banks, liabilities and obligations and rights, liabilities of the parties hereto in the said Business concern and in connection therewith together the assets and properties consisting of plant and machinery, furniture and fixture, stock of stores and components, raw materials and finished goods with a view thereto enter into any agreement or contract and to carry the same into effect with or without modification as may be necessary.

The existing and proposed activities of our Company are within the scope of the objects clause of the Memorandum of Association.

Amendments to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment	Amendments
December 9, 2002	Addition of the following main object in the MoA: To succeed, adopt and continue the business now being carried on under the name and style of “Shree Ganesh Jewellers” (which is carried on by one of the signatories to the Memorandum and Articles of Association of the present Company) as a going concern having its office and principal place of business at 413, 25A, Camac Street, Kolkata – 700 016, including the Assets, movable and immovable, deposits, loan and advances given rights, benefits, refunds, subsides, quotas, licenses, pending suits and claims if any including application pending before any authority, secured and unsecured loan, credit facilities/ limits from banks, liabilities and obligations and rights, liabilities of the parties hereto in the said Business concern and in connection therewith together the assets and properties consisting of plant and machinery, furniture and fixture, stock of stores and components, raw materials and finished goods with a view thereto enter into any agreement or contract and to carry the same into effect with or without modification as may be necessary.
March 3, 2003	Change in Clause V of the MoA recording the increase of authorised capital from Rs. 25 lacs to Rs. 60 lacs by creation of 350,000 Equity Shares.
December 28, 2005	Change in Clause V of the MoA recording the increase of authorised capital from Rs. 60 lacs to Rs. 80 lacs by creation of 200,000 Equity Shares.
November 27, 2006	Change in Clause V of the MoA recording the increase of authorised capital from Rs. 80

Date of Amendment	Amendments
	lacs to Rs. 2500 lacs by creation of 24,200,000 Equity Shares
June 11, 2007	Change in Clause V of the MoA recording the increase of authorised capital from Rs. 2500 lacs to Rs. 3500 lacs by creation of 10,000,000 Equity Shares
August 14, 2007	Change in the name clause of the MoA to delete "Private" from the name of our Company consequent to the change in the status of our Company to a public limited company
March 7, 2008	Change in Clause V of the MoA recording the increase of authorised capital from Rs. 3500 lacs to Rs. 11500.001 lacs divided into 35,000,000 Equity Shares and 26,66,667 Cumulative Convertible Preference Shares of Rs 300 each.
September 23, 2009	Change in Clause V of the MoA recording the increase of authorised capital from Rs. 1,1500.001 divided into 3,50,00,000 Equity Shares and 26,66,667 Cumulative Convertible Preference Shares of Rs 300 each to Rs. 150,00,00,100 divided into 7,00,00,000 Equity Shares and 26,66,667 Cumulative Convertible Preference Shares of Rs 300.

Our Subsidiaries:

As on date of this Red Herring Prospectus, we have the following subsidiaries:

1. **Gokul Jewellery House Private Limited**

Gokul Jewellery House Private Limited was incorporated on March 26, 2004. The registered office of the company is located at 413, Vardan Market, 25A, Camac, Kolkata -700 016. The company is currently carrying on the business of manufacturer and exporter of jewellery. The company became our subsidiary during FY 07-08.

Shareholding Pattern

Name of the shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Limited	2,82,500	51.44
Nippy Trading Private Limited	15,000	2.73
Vandana Tie-up Private Limited	5,000	0.91
Vanraj Suppliers Private Limited	10,000	1.82
Alsa Financial Consultants Limited	20,000	3.64
Goyal Intra Private Limited	20,000	3.64
Sukanya Trading & Financial Private Limited	7,000	1.27
Himansu Leasefin Co. Private Limited	10,000	1.82
Deokinandan Birendra Kr. Private Limited	5,000	0.91
Shree Kamala Stores Private Limited	15,400	2.80
Abharani Vinimay Private Limited	4,000	0.73
Lokseva Textrade Private Limited	5,000	0.91
Maple Mercantile Private Limited	6,000	1.09
Mr. Umesh Parekh	30,060	5.47

Name of the shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Contship Commodities Private Limited	5,000	0.91
Coromandal Merchants Private Limited	10,000	1.82
Crawford Securities Private Limited	10,000	1.82
Flexo Impex Private Limited	5,000	0.91
Flexo Contra Private Limited	9,000	1.64
Ilex Private Limited	13,000	2.37
Paramount traders Private Limited	8,000	1.46
Parmer Finvest Company Private Limited	20,000	3.64
Sthirlakshmi Merchantile Private Limited	10,000	1.82
Suncity Housing Finance Limited	11,500	2.09
Topline Dealers Private Limited	10,000	1.82
Mr. Nilesh Parekh	2,700	0.49
Total	**5,49,160**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Gokul Jewellery House Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Gokul Jewellery House Private Limited extracted from the audited accounts for the last three financial years is as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	53.84	54.92	54.92	54.92
Reserves & Surplus (excluding revaluation reserves)	517.45	571.21	606.00	616.20
Total Income	3,977.46	4,545.75	7,303.92	2,061.39
Profit After Tax	20.96	1.03	34.80	10.20
EPS (Rs.)	3.89	0.19	6.34	1.86
NAV per share (Rs.)	105.93	113.91	120.35	122.21

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

2. Easy Fit Jewellery Private Limited

Easy Fit Jewellery Private Limited was incorporated on June 11, 2003 The registered office of the company is located at Manikanchan SEZ, Salt Lake City, Sector-V, Kolkata – 700 091. The company is currently carrying on the business of manufacturer and exporter of jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Limited	33,600	92.82
Mr. Umesh Parekh jointly Shree Ganesh Jewellery House Limited	1,300	3.59
Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	1,300	3.59
Total	**36,200**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Easy Fit Jewellery Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Easy Fit Jewellery Private Limited extracted from the audited accounts for the last three financial years are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009*	For the period ending September 30, 2009*
Equity capital	3.62	3.62	3.62	3.62
Reserves & Surplus (excluding revaluation reserves)	49.78	49.78	45.02	49.78
Total Income	Nil	Nil	31.84	219.80
Profit After Tax	Nil	Nil	(4.76)	3.73
EPS (Rs.)	Nil	Nil	(13.15)	1030.90
NAV per share (Rs.)	13,932.61	13,585.52	133.95	148.33

**On March 9, 2009, the equity shares of Easy Fit Jewellery Private Limited were split in 100:1 ratio, pursuant to which the number of equity shares increased from 362 to 36,200 and face value of the equity shares decreased from Rs 1,000 each to Rs 10 each.*

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

3. Shree Ganesh Jewellery House (Singapore) Pte. Limited

Shree Ganesh Jewellery House (Singapore) Pte. Limited was incorporated on October 5, 2007. The registered office of the company is located at 20 Cecil Street, Equity Plaza, # 14 – 01, Singapore – 049705. The company was incorporated with the intent of undertaking the business of exporting and distributing gold jewellery.

Shareholding Pattern

Name of the shareholders	No. of equity shares of the face value of Singapore $ 1 each	Percentage holding (%)
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	10,000	100.00
Total	**10,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Shree Ganesh Jewellery House (Singapore) Pte. Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director
Ms. Ragini Dhanvantray	Director

Financial Performance

The brief financial details of Shree Ganesh Jewellery House (Singapore) Pte. Limited extracted from the audited accounts for the last three financial years are as follows:

(Singapore$ in lacs exper share data)

Particulars	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	0.10	0.10	0.10
Reserves & Surplus (excluding revaluation reserves)	(0.05)	(0.07)	(0.11)
Total Income	Nil	Nil	0.30
Profit After Tax	(0.05)	(0.02)	(0.04)
EPS	(0.50)	(0.22)	(0.36)
NAV per share	0.50	0.27	(0.07)

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

4. Bajoria Apartments Private Limited

Bajoria Apartments Private Limited was incorporated on October 26, 1990. The registered office of the company is located at 55A, Mirza Ghalib Street, Kolkata – 700016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Limited	49,800	99.6%
Mr. Umesh Parekh jointly with Shree Ganesh	100	0.2%

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Jewellery House Limited		
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.2%
Total	**50,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Bajoria Apartments Private Limited is as follows:

Name	Nature of directorship/designation
Nilesh Parekh	Director
Umesh Parekh	Director

Financial Performance

The brief financial details of Bajoria Apartments Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	5.00	5.00	5.00	5.00
Reserves & Surplus (excluding revaluation reserves)	5.77	11.05	20.13	19.28
Total Income	908.04	1711.42	572.91	38.29
Profit After Tax	5.07	5.28	9.08	(0.85)
EPS (Rs.)	10.14	10.56	18.16	(1.71)
NAV per share (Rs.)	21.54	30.48	50.26	48.56

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

5. Chaturbhuj Jewellery House Private Limited

Chaturbhuj Jewellery House Private Limited was incorporated on November 30, 2006. The registered office of the company is located at 24B, Park Street, Kolkata – 700016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Limited	1,97,400	99.95
Mr. Umesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.05
Total	**1,97,500**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Chaturbhuj Jewellery House Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Chaturbhuj Jewellery House Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	19.75	19.75	19.75
Reserves & Surplus (excluding revaluation reserves)	8.42	778.05	795.31	806.94
Total Income	1,355.03	4,300.24	2,054.18	1,324.80
Profit After Tax	8.42	38.39	17.26	11.63
EPS and Diluted (Rs.)	84.17	19.44	8.74	5.89
NAV per share (Rs.)	89.49	403.77	412.57	418.52

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

6. Galaxy Jewel Art Private Limited

Galaxy Jewel Art Private Limite was incorporated on November 23, 2006. The registered office of the company is located at 24B, Park Street, Kolkata – 700016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	9,900	99.9%
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Total	**10,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Galaxy Jewel Art Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Galaxy Jewel Art Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.06)	(0.10)	(0.15)	(0.45)
Total Income	Nil	Nil	Nil	Nil
Profit After Tax	(0.06)	(0.04)	(0.04)	(0.30)
EPS (Rs.)	(0.61)	(0.44)	(0.04)	(3.04)
NAV per share (Rs.)	5.43	4.99	4.58	3.53

There are no accumulated profits/(losses) not accounted for by our Company

7. J.T. Metals Minerals Exports Private Limited

J.T. Metals Minerals Exports Private Limited was incorporated on May 27, 2005. The registered office of the company is located at 413, Vardan Market, 25-A, Camac Street, Kolkata – 700 016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	30,99,800	99.80
Mr. Umesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1
Total	**31,00,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of J.T. Metals Minerals Exports Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of J.T. Metals Minerals Exports Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	10.00	310.00	310.00	310.00
Reserves & Surplus (excluding revaluation reserves)	447.48	463.55	473.47	492.09
Total Income	1753.17	3886.95	2143.84	2,653.15
Profit After Tax	5.95	16.07	9.92	18.62
EPS (Rs.)	5.95	0.52	0.32	0.86
NAV per share (Rs.)	457.22	24.95	25.27	25.87

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

8. Mudrika Jewels Private Limited

Mudrika Jewels Private Limited was incorporated on January 29, 2007. The registered office of the company is located at 413, Vardan Market, 25A, Camac Street, Kolkata – 700 016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Limited	9,900	99.9%
Mr. Umesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Total	**10,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Mudrika Jewels Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Mudrika Jewels Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.03)	(0.08)	(0.33)	(0.75)
Total Income	Nil	Nil	21.22	17.72
Profit After Tax	(0.03)	(0.05)	(0.25)	(0.41)
EPS (Rs.)	(0.28)	(0.50)	(2.55)	(4.14)
NAV per share (Rs.)	2.86	2.36	1.19	(0.21)

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

9. Safal Jewellers Private Limited

Safal Jewellers Private Limited was incorporated on January 11, 2007. The registered office of the company is located at 24B, Park Street, Kolkata – 700 019. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	4,84,900	99.8%
Mr. Umesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.2%
Total	**4,85,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Safal Jewellers Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Safal Jewellers Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	48.50	48.50	48.50
Reserves & Surplus (excluding revaluation reserves)	(0.12)	925.23	939.59	946.55
Total Income	Nil	3703.90	2698.09	1,423.61
Profit After Tax	(0.12)	22.86	15.04	6.96
EPS (Rs.)	(0.12)	4.71	3.01	1.39
NAV per share (Rs.)	4.82	200.58	203.59	205.10

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

10. Samukh Exim Private Limited

Samukh Exim Private Limited was incorporated on September 18, 2006. The registered office of the company is located at 24B, Park Street, 2nd Floor, Park Centre, Kolkata – 700016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	9,800	99.8%
Mr. Umesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Total	**10,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Samukh Exim Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Samukh Exim Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.12)	(0.08)	(0.35)	(0.74)
Total Income	Nil	0.19	Nil	Nil
Profit After Tax	(0.12)	0.04	(0.26)	(0.39)
EPS (Rs.)	(1.20)	(0.37)	(2.63)	(3.92)
NAV per share (Rs.)	3.53	4.49	3.42	1.06

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

11. Shrishti Jewels Art Private Limited

Shrishti Jewels Art Private Limited was incorporated on November 23, 2006. The registered office of the company is located at 24B, Park Street, Kolkata – 700 019. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	9,900	99.9%
Mr. Umesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Total	**10,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Shrishti Jewels Art Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Shrishti Jewels Art Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.06)	9.20	25.04	28.95
Total Income	Nil	1416.06	2176.47	355.94
Profit After Tax	(0.06)	9.26	15.84	3.90
EPS (Rs.)	(0.58)	92.62	158.40	39.05
NAV per share (Rs.)	5.46	98.88	258.33	298.44

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

12. Smart Gold Jewel House Private Limited

Smart Gold Jewel House Private Limited was incorporated on November 15, 2006. The registered office of the company is located at 24B, Park Street, Kolkata – 700016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	9,900	99.9%
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Total	10,000	100.00

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Smart Gold Jewel House Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Sanjeet Kumar Sharma	Director

Financial Performance

The brief financial details of Smart Gold Jewel House Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.03)	(0.08)	(0.12)	(0.71)
Total Income	Nil	Nil	Nil	Nil
Profit After Tax	(0.03)	(0.05)	(0.05)	(0.59)
EPS (Rs.)	(0.28)	(0.76)	(0.45)	(0.06)
NAV per share (Rs.)	2.87	2.39	1.94	(0.55)

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

13. Subarna Jewels Private Limited

Subarna Jewels Private Limited was incorporated on 31.01.2007. The registered office of the company is located at 413, Vardan Market, 25A, Camac Street, Kolkata – 700 016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	9,900	99.9%
Mr. Nilesh Parekh jointly with Shree Ganesh Jewellery House Limited	100	0.1%
Total	**10,000**	**100**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Subarna Jewels Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Sanjeet Kumar Sharma	Director

Financial Performance

The brief financial details of Subarna Jewels Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	(0.03)	(0.14)	(0.21)	(0.69)
Total Income	Nil	Nil	Nil	Nil
Profit After Tax	(0.03)	(0.11)	(0.07)	(0.48)
EPS (Rs.)	(0.28)	(1.74)	(0.70)	(0.48)
NAV per share (Rs.)	2.85	1.74	1.04	(0.35)

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

14. Gold Art Jewellers Private Limited

Gold Art Jewellers Private Limited was incorporated on October 25, 2006. The registered office of the company is located at 24B, Park Street, Kolkata – 700 016. The company is currently carrying on the business of manufacturing and exporting of gold jewellery. The company became our subsidiary during FY 2007-08.

Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Ltd	3,37,300	99.94
Mr. Umesh Parekh jointly Shree Ganesh Jewellery House Limited	100	0.03
Mr. Nilesh Parekh jointly Shree Ganesh Jewellery House Limited	100	0.03
Total	**3,37,500**	**100**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Gold Art Jewellers Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Nilesh Parekh	Director
Mr. Umesh Parekh	Director
Mr. Satish Chandra Chaturvedi	Independent Director

Financial Performance

The brief financial details of Gold Art Jewellers Private Limited extracted from the audited accounts since incorporation to the year ended March 31, 2009 are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	33.75	33.75	33.75	33.75
Reserves & Surplus (excluding revaluation reserves)	628.72	670.54	688.20	703.31
Total Income	1728.45	6028.29	62,416.72	7,459.89
Profit After Tax	6.47	41.81	17.66	15.12
EPS (Rs.)	1.92	12.39	5.23	4.48
NAV per share (Rs.)	196.05	208.50	213.91	218.39

There are no accumulated profits/(losses) of the subsidiary not accounted for by our Company

Easy Fit Jewellery Private Limited, one of our Subsidiaries, has filed an application before the Hon'ble High Court at Kolkata for the sanction of a scheme of amalgamation under sections 391(1) and 393 of the Companies Act for the amalgamation of 11 of our subsidiaries, namely, Gold Art Jewellers Private Limited, J T Metals and Minerals Exports Private Limited, Bajoria Apartments Private Limited, Chaturbhuj Jewellery House Private Limited, Samukh Exim Private Limited, Shrishti Jewel Art Private Limited, Galaxy Jewel Art Private Limited, Safal Jewellers Private Limited, Subarna Jewels Private Limited, Mudrika Jewels Private Limited and Smart Gold Jewel House Private Limited with Easy Fit Jewellery Private Limited. Once the sanction from the Hon'ble High Court at Calcutta is received and all other requisite formalities are fulfilled, these companies shall merge with our subsidiary Easy Fit Jewellery Private Limited. As on date of this Red Herring Prospectus, our Company has received the extracts of the order of the Hon'ble Calcutta High Court but is yet to receive the certified copy of the order. Once the certified copy is received and filed with the registrar of companies, the companies shall merge with Easy Fit Jewellery Private Limited.

Associate Company

1. Damgan Retail Jewellery Private Limited

Damgan Retail Jewellery Private Limited was incorporated on October 30, 2006. The registered office of the company is located at 77A/1A, Park Street, Kolkata- 700 016. The company was incorporated for the purposes of undertaking the business of manufacturing and retail of jewellery.

Equity Shareholding Pattern

Name of the Shareholders	No. of equity shares of the face value of Rs. 10 each	Percentage holding (%)
Shree Ganesh Jewellery House Limited	3,300	33.00
Damsy Retail Jewellery Private Limited	6,700	67.00
Total	**10,000**	**100.00**

Board of Directors

As of date of this Red Herring Prospectus, the board of directors of Damgan Retail Jewellery Private Limited is as follows:

Name	Nature of directorship/designation
Mr. Jaison Simon Panakkal	Director
Mr. Umesh Parekh	Director

Financial Performance

The brief financial details of Damgan Retail Jewellery Private Limited extracted from the audited accounts for the last three financial years are as follows:

(Rs in lacs except per share data)

Particulars	For the year ending March 31, 2007	For the year ending March 31, 2008	For the year ending March 31, 2009	For the period ending September 30, 2009
Equity capital	1.00	1.00	1.00	1.00
Share Application Money	Nil	Nil	11.25	11.25
Reserves & Surplus (excluding revaluation reserves)	(0.41)	(10.50)	(49.48)	(50.47)
Total Income	Nil	23.82	21.20	0.00
Profit After Tax	(0.41)	(10.10)	(38.98)	(0.98)
EPS and Diluted EPS (Rs.)	(4.06)	(100.98)	(389.81)	(0.80)
NAV per share (Rs.)	3.28	(97.03)	(373.68)	(382.19)

As of date of this Red Herring Prospectus, Damgan Retail Jewellery Private Limited has a negative networth.

The shareholding pattern of the Subsidiaries and the Associate Company referred to above is as on date of this Red Herring Prospectus.

Sick companies

None of the Subsidiaries listed above have been declared as sick industrial unit within the meaning if clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 or have been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

None of the Subsidiaries listed above is in the process of winding up.

None of the Subsidiaries listed above have made a public/ rights issue of their equity shares since inception.

Except as disclosed in this section, none of the Subsidiaries have a negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

Scheme of Amalgamation:

Scheme of Amalgamation (the "Merger Scheme") between Doyen Traders and Properties Private Limited (Transferor Company-I), Shree Gajanand Jewellers Private Limited (Transferor Company-II), Pitty Fincon Service Private Limited (Transferor Company-III), Pancharatna Jewellers Private Limited (Transferor Company-IV), Janki Properties Private Limited (Transferor Company-V), Creative Jewels (India) Private Limited (Transferor Company-VI) (together the "Transferor Companies") with our Company ("Transferee Company")

The Merger Scheme provided for the transfer of the entire undertakings, assets and liabilities of the Transferor Companies, to the Transferee Company as a going concern.

The Transferee Company effectuated the Merger Scheme on April 19, 2007 (the "**Effective Date**"), which is the date on which a certified copy of the order of the High Court of Judicature, Calcutta at West Bengal sanctioning the Merger Scheme was filed with the Registrar of Companies, West Bengal under section 394 of the Companies Act.

The appointed date of the Merger Scheme is April 1, 2006 ("**Appointed Date**").

Set forth below are certain key features of the Merger Scheme:

With effect from the Appointed Date and till the date and including the Effective Date:

1. The Transferor Companies shall be deemed to have been carrying on their business and activities for and on behalf of the Transferee Company.

2. All profits accruing to each of the Transferor Companies and all taxes thereof or losses arising or incurred by them shall, for all purposes, be treated as the profits, taxes or losses as the case may be of the Transferee Company.

Issue of Shares

Upon coming into effect of the Scheme, the Transferee Company has issued Equity Shares of the Transferee Company to the members of the Transferor Companies in the following ratios:

1. Three Equity Shares of the Transferee Company credited as fully paid up to the members of Transferor Company-I for every one fully paid up equity share of the face value of Rs. 10 each held by the members of the Transferor Company-I.

2. Twenty Equity Shares of the Transferee Company credited as fully paid up to the members of Transferor Company-II for every one fully paid up equity share of the face value of Rs. 10 each held by such members of the Transferor Company-II.

3. One Equity Shares of the Transferee Company credited as fully paid up to the members of the Transferor Company-III for every one fully paid up equity share of the face value of Rs. 10 each held by such members of the Transferor Company-III.

4. One Equity Shares of the Transferee Company credited as fully paid up to the members of the Transferor Company-IV for every one fully paid up equity share of the face value of Rs. 10 each held by such members of the Transferor Company-IV.

5. One Equity Shares of the Transferee Company credited as fully paid up to the members of the Transferor Company-V for every one fully paid up equity share of the face value of Rs. 10 each held by such members of the Transferor Company-V.

6. One Equity Shares of the Transferee Company credited as fully paid up to the members of the Transferor Company-VI for every one fully paid up equity share of the face value of Rs. 10 each held by such members of the Transferor Company-VI.

Dissolution of the Transferor Companies

Pursuant to an order of the Calcutta High Court dated September 3, 2007, the Transferee Companies were dissolved without winding up with effect from October 1, 2007.

Agreements:

As of date of this Red Herring Prospectus, our Company is party to certain agreements not entered into in the ordinary course of business, the material terms and conditions of which are as follows:

1. **Share Subscription Agreement dated March 12, 2008 ("Agreement") between our Company, the Promoters and Credit Suisse PE Asia Investments (Mauritius) Limited ("Investor")**

   Pursuant to this Agreement, the Investor had agreed to subscribe to 2,666,667 compulsorily convertible preference shares for an aggregate subscription price of Rs. 800,000,1000 ("Preference Shares"). The Preference Shares represent, on a fully diluted basis, a minimum of 10.99% of our Company's share capital. The Investor shall be entitled to a fixed cumulative preferential dividend of 0.0001% per annum, pro rated, until conversion. The conversion price of the Preference Shares into Equity Shares will be determined in accordance with the post-money valuation of our Company, which shall be determined as the lower of:

   - INR 72,800 lacs; and
   - 9.5 times the profit after tax amount for the financial year ending March 31, 2008, audited by the statutory auditors of our Company, in accordance with applicable Indian accounting standards prescribed by the ICAI.

   If the post-money valuation of our Company is determined to be INR 72,800 lacs, the conversion price shall be INR 300 per Equity Share. In case the post-money valuation of our Company is determined to be 9.5 times the PAT, the conversion price shall be adjusted accordingly.

   The Preference Shares shall be converted upon the earlier of:

   - A date selected by the Investor, provided that the Investor has provided our Company atleast 45 days advance written notice; or

- Three days prior to the filing of this Red Herring Prospectus by our Company in pursuance of the initial public issue; or
- 36 months from the date of the allotment of the Preference Shares

If the Investor proposes to convert the Preference Shares prior to the IPO, the Investor shall receive a minimum discount of 15% on the final IPO price ("IPO Discount") and our Company shall:

- obtain an indicative price of the Equity Shares to be issued in the IPO from an investment banking firm;
- If the indicative price does not provide for the IPO Discount to be met, the Investor may require the Promoters to transfer such number of Equity Shares to the Investor and at such price as may be needed to meet the IPO Discount requirement. Such transfer of Equity Shares shall take place between the time of filing of the DRHP and submission of the final prospectus with SEBI;
- In the event the actual IPO price does not match the indicative price, the Investor may require the Promoters to transfer such number of Equity Shares to the Investor at a price to be determined after the completion of the IPO but before the allotment of Equity Shares in the IPO such that the total amount invested by the Investor (the subscription money plus the consideration paid for the transfer of the Equity Shares by the Promoters] shall satisfy the IPO Discount requirement; and
- Such transfer of Equity Shares by the Promoter to the Investor in terms with the above clause shall take place only after meeting the lock-in requirements applicable in respect of the Equity Shares by the Promoters over and above the minimum promoters' contribution as per the SEBI ICDR.

Any loss suffered by our Company as a result of any representations and/ or warranties made by our Company and the Promoters in this Agreement, shall be deemed to be a loss to the Investor. The amounts paid by our Company to the Investor, as indemnification for the losses suffered by the Investor, shall be grossed up ("Indemnity Amount") such that the remaining shareholders' share, i.e. shareholders of our Company other than the Investor, in the Indemnity Amount shall be equal to the loss or damage suffered by the Investor.

2. Shareholders Agreement dated March 12, 2008 and Supplementary Agreement dated September 24, 2009 ("Agreement") between our Company, the Promoters and Credit Suisse PE Asia Investments (Mauritius) Limited ("Investor")

The parties have entered into this Agreement to define the mutual rights and obligations as shareholders of our Company inter se as well as with our Company, pursuant to the subscription of shares in our Company, as referred to hereinabove.

The parties have agreed that:

Management

The Board of Directors of our Company shall comprise of six directors, including a nominee director nominated by the Investor ("Nominee Director") who shall not be required to retire by rotation.

The Investor shall be entitled to appoint an observer to the Board of Directors who shall entitled to receive all notices and attend board meetings but shall not be entitled to participate or vote at the Board Meetings.

The Agreement requires our Company to constitute an audit and a remuneration committee. The Nominee Director shall be a member of the audit and the remuneration committee.

At all meetings of the Board, two directors or their duly appointed alternates, including the Nominee Director shall constitute a valid quorum. If the quorum is not present at a Board meeting, the meeting shall be adjourned to the same day and time the following week. Two adjournments may be made thereafter for a want of quorum. Subsequently, the members present at the Board meeting, irrespective of whether the Nominee Director is present or not, shall constitute the quorum.

Affirmative Right of Nominee Director

The Board or our Company shall not approve any amendment of the MoA or the AoA, acquisition, consolidation or disposal of all or any of our Company's assets for an amount more than Rs. 250 lacs individually and Rs 1,000 lacs in the aggregate per annum, any buy-back of any equity or any equity linked security of our Company, any decision on an IPO prior to December 2008, induction of any strategic or financial partners, mergers, amalgamations, consolidations, restructurings de-mergers and/ or reorganization of our Company, change in our Company's capital structure, declaration of dividend, change in our Company's auditors, changes in the size of the Board, changes to material accounting or tax policies or practices unless required by law, bankruptcy, winding-up and/ or liquidation of our Company, commencing or settling any litigation, arbitration or other proceedings material to the business of our Company, giving of loans, advances, investments or providing guarantees or security other than in the ordinary course of business, incurring any indebtedness or granting a lien to secure any indebtedness in excess of Rs 10 lacs other than in the ordinary course of business, capital expenditure exceeding Rs 250 lacs individually and Rs 1,000 lacs in the aggregate per annum, deviations of more than 10% in the key line items set out in the annual operating budget, payment of management compensation exceeding the limits set out in the employment contracts between our Company and the Promoters, employee stock option scheme, any related party transactions other than transactions with wholly owned subsidiaries, commencement of any new line of business unrelated to the existing business of our Company, major expansions and diversifications or cessation or material alterations of the business, approval of employment agreements between our Company and the Promoters or any other act which materially impacts the Investors' rights under the Share Subscription Agreement (referred to hereinabove) or this Agreement without the affirmative vote of the Nominee Director:

Our Company shall provide a Directors' and Officers' Insurance Policy for the Nominee Director.

Pre-emptive Rights

Our Company has granted the pre-emptive right to the Investor to subscribe pro-rata for the Equity Shares, preference shares or other instruments or securities convertible into Equity Shares issued by our Company from time to time. This right shall not be applicable to the issuance of Equity Shares pursuant to an IPO or an ESOP.

Exit by the Investor

Our Company has agreed to take reasonable steps to effect an IPO of the Equity Shares within 36 months of the date of this Agreement. In the event the IPO is not completed within 36 months of the date of this Agreement, the Investor may require our Company to buyback the converted shares ("Investor Shares") at a fair market value or require the Promoters to buy or arrange for the sale of the Investor Shares at a fair market value or require our Company to effect an "Offer for Sale" of the Investor Shares through an IPO.

The Investor may also sell the preference shares or the Investor Shares, if our Company fails to effect an IPO within 36 months, as described above. However, such a transfer shall be bound by the following conditions:

- The Investor may freely transfer the Investor Shares and/ or the preference shares to its affiliates at any time;
- The Investor shall not transfer the Investor Shares to any of Restricted Parties, as set out in this Agreement, without our Company's prior written consent;
- The Investor shall be free to transfer the preference shares in any manner it deems appropriate;
- With respect to the transfer of the Investor Shares to non-affiliates of the Investor, the Investor shall first offer the Investor Shares to the Promoters and failure of the Promoter to purchase the Investor Shares in accordance with the terms of the Agreement shall entitle the Investor to Transfer the Investor Shares to any third party on the same terms as the offer made to the Promoters

Transfer of Equity Shares held by the Promoters

- The Promoters may transfer the Equity Shares held by them ("Promoter Shares") freely to any of their relatives or affiliates or inter-se between the Promoters;
- For a transfer not covered under the above clause, the Promoter shall issue a notice to the Investor setting out the proposed terms of transfer to the third party purchaser ("Purchaser"). Within 15 days of receipt of such notice, the Investor may opt to purchase the Promoter Shares on such terms as offered to the Purchaser.

In the event the Promoter Shares constitute between 50% and 85% of the total paid-up capital of our Company, the Investor may opt to sell a proportionate part of the preference shares or the Investor Shares (on an as-if converted basis) to the Purchaser along with the Promoter Shares on the same terms and conditions. If the Promoter Shares constitute less than 50% of the paid-up share capital of our Company, the Investor may opt to sell all the preference shares or the Investor Shares (on an as-if converted basis) to the Purchaser along with the Promoter Shares on the same terms and conditions.

Anti-Dilution

In the event our Company issues further Equity Shares or equity linked instruments to any third party, other than affiliates or relatives of the Promoters, at a per share subscription price, which is lesser than the then effective conversion price for the Investor, the value of the Investment of the Investors in the Preference Shares shall be deemed to have declined and the Investor shall, in addition to the Equity Shares which the Investor receives or has received upon conversion of the Preference Shares (as if converted basis), also be entitled to be issued such additional number of Equity Shares, if any, as is equal to the difference between the number of Equity Shares, pursuant to such conversion of the Preference Shares held at that time by the Investor and the Equity Shares which the Investor would have been entitled to had it subscribed to such Preference Shares at the lowest price per share offered to the third party.

Issuance of Equity Shares pursuant to an ESOP shall be exempt from the requirements of the above clause.

Miscellaneous

- All agreements and arrangements between the Promoters and related parties, other than wholly owned subsidiaries on one hand and our Company on the other hand shall be entered into on an arms length basis and subject to the consent of the Investor.
- Unit the IPO, the Promoters and the promoter group shall not reduce their shareholding to below 51%, except in the manner set out in the Agreement
- The Promoters shall not pledge or otherwise encumber their shareholding in our Company except with the consent of the Investor

- Promoters shall not exercise their voting rights in a manner inconsistent with their obligations with our Company
- Company and the Promoters shall draft a code of conduct binding on our Company, all Subsidiaries, Directors, officers, employees and agents of our Company and our Subsidiaries
- Company shall ensure that the compensation paid to the Promoters does not exceed a basic salary of Rs. 1,800,000 per annum and standard perquisites and a profit share of 2.25% of annual audited net income of our Company.

Termination

This Agreement shall be terminated on the completion of the IPO by our Company or by the mutual consent of the parties or on winding – up or dissolution of our Company.

The Parties have entered into a Supplementary Agreement dated September 24, 2009 whereby the Parties have agreed to amend the Articles of Association and delete the provisions of the Selling Shareholders' Rights therein.

3. Convertible Debenture Subscription Agreement dated June 13, 2007 between Bennett, Coleman and Co. Limited ("BCCL") and our Company and Mr. Umesh Parekh (on behalf of the Promoters), and amended by a supplementary agreement dated June 13, 2007

Pursuant to this Agreement, BCCL has subscribed to 50,00,000 fully convertible debentures of face value Rs 10 each ("BCCL Debentures") for an aggregate consideration of Rs 500 lacs. The BCCL debentures shall not be transferable at any time prior to conversion.

Terms and Conditions

- Each BCCL Debenture shall be compulsorily converted into Equity Shares prior to the IPO of new Equity Shares by our Company.
- The conversion price of the debentures shall be the expected lowered end of the price band of the Equity Shares offered in the IPO of our Company.
- In the event the Promoters sell any of the Equity Shares held by them prior to the conversion of the BCCL Debentures, the conversion shall take place at the price at which the Promoters have effected such sale and the conversion price for the purposes of this Agreement shall be such price per share. If the Promoters sell their Equity Shares in two or more lots, then conversion shall be effected at the lowest of the price received for an Equity Share by the Promoters.
- In the event our Company makes any fresh offering of Equity Shares prior to the conversion of BCCL Debentures, the conversion shall take place at the price at which the fresh offering was effected. If such fresh offering was made in two or more lots, then conversion shall be effected at the lowest of the price received for an Equity Share by the Promoters.
- In the event the BCCL Debentures do not get converted into Equity Shares by March 31, 2008 in accordance with clause (b) or (c) above, the BCCL Debentures shall be converted into Equity Shares at a conversion price based on FY 2008 PAT*9.
- In case of issuance of bonus shares or share split by our Company, the conversion price of the BCCL Debentures shall accordingly stand adjusted.
- If prior to the IPO of Equity Shares, our Company proposed to issue Equity Shares or convertible security, our Company shall inform BCCL of such issuance. If the issue price of the proposed allotment, other than an ESOP Exercise, is below the issue price of the Equity Shares allotted to BCCL

pursuant to the conversion of the BCCL Debentures, BCCL would have the right to acquire such number of Equity Shares at face value which would enable the average issue price of all the Equity Shares held by BCCL after such further allotment to be equal to the issue price of the Equity Shares proposed to be allotted. BCCL shall acquire such further Equity Shares under this clause through advertising space provided to our Company in BCCL print publications.

- BCCL shall be entitled, if requested by our Company, to appoint one director on the Board of our Company, as long as it does not hold less than five percent of the share capital of our Company.
- As long as BCCL holds more than two percent of the Equity Shares, any decision affecting the rights of BCCL under this Agreement and affecting the share capital or the shareholding of our Company shall be taken after prior written consent of BCCL.
- Our Company shall take the prior written consent of BCCL for pledging, mortgaging, charging or otherwise encumbering any of its Equity Shares or other securities, transferring shares or other securities or enter into any agreement in respect of the votes attached to any of its shares or other securities
- Our Company shall come out with an IPO of its Equity Shares within 36 months of the closing date and BCCL shall be entitled to transfer its shareholding in our Company in the open market.
- BCCL shall have the right to sell, transfer or assign its shareholding in our Company at any time after the closing. However, BCCL shall provide to the Promoters a "right of first refusal".
- In the event the IPO does not happen within 36 month of the closing date, BCCL and our Company shall jointly appoint an independent third party consultant for the valuation of our Company. Our Company and/ or our Promoters shall buy-back the Equity Shares held by BCCL or shall find a third party buyer to buy the Equity Shares at the price arrived at by the third party consultant.
- If at the end of the third year from the date of this Agreement, it is not feasible for BCL to offload the Equity Shares held by BCCL through the stock exchanges for any reason, BCCL and our Company shall jointly appoint a third party independent consultant for the valuation of our Company. Our Company and/ or the Promoters shall buy-back the Equity Shares held by BCCL.
- BCCL shall have a "tag along right" in the event the Promoters proposes to sell, transfer or assign any shares of our Company on a proportionate basis.
- The Promoters have agreed that they shall not transact any business with any company which competes with the business of our Company, without the prior written consent of BCCL.
- This Agreement shall be terminated on the change in control of our Company, by our Company failing to acquire or renew any license or registration in connection with the carrying out its business operations, on winding – up or dissolution of our Company, on BCCL ceases to hold any Equity Shares in our Company and on mutual consent.

Strategic Partners

As of date of this Red Herring Prospectus, our Company has no strategic partners and is not part of any strategic partnerships.

Financial Partners

As of date of this Red Herring Prospectus, our Company has no financial partners.

OUR MANAGEMENT

Board of Directors

As per the Articles of Association, our Company must have a minimum of three and a maximum of twelve Directors. As on the date of this Red Herring Prospectus, our Company has eight Directors on its Board.

The following table sets forth the current details of the Board of Directors as on the date of this Red Herring Prospectus:

Name, Father's name, Designation, Address and Occupation	Qualifications	Age (years)	Other Directorships
Mr. Nilesh Parekh *Chairman* S/o late Mr. Shailendra Parekh **Address:** 5/1/1B, Cornfield Road, Kolkata – 700019 **Occupation:** Business **DIN:**0050671	B.Com, Diploma in diamond jewellery designing and assorting	43	1. Swastik Wheat Product Agencies Private Limited 2. Smart Gold Jewel House Private Limited 3. Gold Art Jewellers Private Limited 4. Samukh Exim Private Limited 5. Galaxy Jewel Art Private Limited 6. Subarna Jewels Private Limited 7. JT Metals & Minerals Exports Private Limited 8. Bajoria Apartments Private Limited. 9. Easy Fit Jewellery Private Limited 10. Gokul Jewellery House Private Limited 11. Shristi Jewel Art Private Limited 12. Chaturbhuj Jewellery House Private Limited 13. Safal Jewellers Private Limited 14. Mudrika Jewels Private Limited 15. Shree Ganesh Jewellery House (Singapore) Pte. Limited
Mr. Umesh Parekh *Managing Director* S/o late Mr. Shailendra Parekh **Address:** 6A Ironside Road, Kolkata – 700 019	B.Com	42	1. Swastik Wheat Product Agencies Private Limited 2. Shristi Jewel Art Private Limited 3. Chaturbujh Jewellery

Name, Father's name, Designation, Address and Occupation	Qualifications	Age (years)	Other Directorships
Occupation: Business **DIN:** 0050705			House Private Limited 4. Gold Art Jewellers Private Limited 5. Samukh Exim Private Limited 6. Damgan Retail Jewellery Private Limited 7. JT Metals and Minerals Exports Private Limited 8. Bajoria Apartments Private Limited. 9. Safal Jewellers Private Limited 10. Mudrika Jewels Private Limited 11. Easy Fit Jewellery Private Limited 12. Gokul Jewellery House Private Limited 13. Galaxy Jewel Art Private Limited 14. Shree Ganesh Jewellery House (Singapore) Pte. Limited
Mr. Sharad Mohata *Non-Executive Director* S/o Mr. Hanuman Das Mohata **Address:** 35 Sir Hariram Goenka Street, Kolkata – 700 007 **Occupation:** Chartered Accountant **DIN:** 01688401	B.Com, FCA, ICWAI	42	Probe Marketings Private Limited
Mr. Hemang Raja *Nominee of Credit Suisse PE Asia Investments (Mauritius) Limited* S/o late Mr. Harish Raja **Address:** Flat No. 4, D Wing, Carmichael Road, Mumbai – 400 026 **Occupation:** Service **DIN:** 0040769	B.Com, MBA	51	1. Credit Suisse Consulting (India) Private Limited 2. Indu Projects Limited

Name, Father's name, Designation, Address and Occupation	Qualifications	Age (years)	Other Directorships
Mr. Pawan Singh Ingty *Independent Director* S/o late Mr. Samson Singh Ingty **Address:** DA 88, Salt Lake, Bidhan Nagar, North 24 Paraganas, Kolkata – 700 064 **Occupation:** Retired **DIN:** 01681252	M.A., MBA	67	1. SRMB Steel Limited 2. Nik Nish Retail Limited 3. Nirbhay Capital Services Private Limited
Mr. Satish Chandra Chaturvedi *Independent Director* S/o late Mr. Champa Ram Chaturvedi **Address:** 24, Park Street, Kolkata – 700 016 **Occupation:** Chartered Accountant **DIN:** 00272435	B.Com, FCA	62	Shubh Economic Services Private Limited
Mr. Dwarka Prasad Mathur *Independent Director* S/o late Mr. B P Mathur **Address:** International Institute of Sustainable Development and Management, 1982, Subhash Nagar, Chandralekha, Ahmedabad – 382424 **Occupation:** Service **DIN:** 02373724	M.A. (Economics)	69	Nirbhay Capital Services Private Limited
Mr. Tushar Kanti Das *Independent Director* S/o late Jogendra Chandra Das **Address:** FE – 250, Sector – 3, Salt lake, Kolkata – 700 091 **Occupation:** Service **DIN:** 02794679	M.A. (Economics)	68	NA

All our Directors are Indian citizens.

Relationship between Directors inter-se

Mr. Umesh Parekh and Mr. Nilesh Parekh are full blood brothers.

Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the Directors was selected as a director or member of senior management

Mr. Hemang Raja was appointed as a Nominee Director on our Board as a nominee of Credit Suisse PE Asia Investments (Mauritius) Limited pursuant to their investment in our Company.

Details of appointment and term of the Directors:

Name of Directors	Designation and Term
Mr. Nilesh Parekh	Mr. Nilesh Parekh was first appointed on the Board on August 30, 2002. He has been reappointed as the Chairman of our Company with effect from July 1, 2007 for three years.
Mr. Umesh Parekh	Mr. Umesh Parekh was first appointed on the Board on August 30, 2002. He has been reappointed as the Managing Director of our Company with effect from July 1, 2007 for three years.
Mr. Sharad Mohata	Mr. Sharad Mohata was first appointed on October 30, 2007. He was reappointed on September 30, 2008. He is a Non-Executive Director, liable to retire by rotation at the ensuing Annual General Meeting of our Company.
Mr. Hemang Raja	Mr. Hemang Raja was appointed on March 25, 2008. He is an nominee director, not liable to retire by rotation at the ensuing Annual General Meeting of our Company. He is a nominee of Credit Suisse PE Asia Investments (Mauritius) Limited.
Mr. Pawan Singh Ingty	Mr. Pawan Singh Ingty was appointed on April 20, 2007. He was reappointed on September 30, 2008. He is an Independent Director, liable to retire by rotation at the ensuing Annual General Meeting of our Company.
Mr. Satish Chandra Chaturvedi	Mr. Satish Chandra Chaturvedi was appointed on November 21, 2007. He is an Independent Director, liable to retire by rotation at the ensuing Annual General Meeting of our Company.
Mr. Dwarka Prasad Mathur	Mr. Dwarka Prasad Mathur was appointed on September 9, 2009. He is an Independent Director, liable to retire by rotation at the ensuing Annual General Meeting of our Company.
Mr. Tushar Kanti Das	Mr. Tushar Kanti Das was appointed on September 9, 2009. He is an Independent Director, liable to retire by rotation at the ensuing Annual General Meeting of our Company.

Brief Profile of the Directors

Mr. Nilesh Parekh holds a bachelors' degree in commerce from Calcutta University and a Diploma in Diamond grading and Jewellery designing from Indian Diamond Institute, Surat, Gujarat. He is one of our Promoters and has been instrumental in our growth. Mr. Nilesh Parekh is responsible for the overall strategic planning and policy development of our Company. He has almost 20 years of experience in the jewellery industry. He was awarded the "Young Achievers Award" by Sin Gems in 2006.

Mr. Umesh Parekh holds a bachelors' degree in commerce from Calcutta University. He is also one of our Promoters and along with Mr. Nilesh Parekh, has been instrumental in our growth. He heads the sales and marketing operations of our Company and is responsible for developing our overseas business. He has almost 19 years of experience in the jewellery industry. Alongwith Mr. Nilesh Parekh, he was awarded the "Young Achievers Award" by Sin Gems in 2006.

Mr. Sharad Mohata holds a bachelors' degree in commerce from Calcutta University, is a practicing chartered accountant and holds a professional degree of costs and works accountant. He has been in the profession for the last seventeen years and is the proprietor of the chartered accountancy firm, Sharad Mohata and Co. He started his career with a brief stint with GEC Alsthom and then switched over to his professional practice in the year 1992. He has been associated with our Company since inception as our statutory auditor and resigned from that position in 2006.

Mr. Hemang Raja holds a bachelors degree in commerce from Bombay University and a masters' in business administration from the University of Abilene, Texas, USA. He was associated with IL&FS Financial Services from April 1997 to June 1999 as its chief executive officer and was instrumental in achieving the first financial closure in the telecom sector for arranging rupee based financing and cross border lease financing with the help of ORIX Corporation, Japan for ship acquisition. He was associated with IL&FS Investsmart Limited from June 1999 to August 2006 and was designated as the Managing Director and CEO. He joined Ritchie Capital LLC as the Head of India Operations in 2006 and thereafter has been associated with Credit Suisse since April 2007. He is currently the "Managing Director and Head-India" for Credit Suisse Private Equity Asia.

Mr. Pawan Singh Ingty holds a masters' degree in arts and a M.B.A. from Leeds University, United Kingdom and was also a visiting fellow at Queens Elizabeth House, Oxford University, United Kingdom. Mr Ingty was the Principle Secretary to the Government of West Bengal from 1997 to 2002, the chief executive officer of the West Bengal Cooperative Marketing Federation from 1983 to 1991, District Magistrate and Collector between 1975 and 1977, the Deputy Secretary, Commerce & Industry Department from 1972 to 1975 and Joint Secretary to Public Undertaking Department from 1977 to 1979. He was the Managing Director of the West Bengal Agro Industries Corporation and the West Bengal Ceramic Development Corporation in the year 1980-81. He was also the chairman of the District Central Cooperative Bank and the State Land Use Board. He is currently on the board of the International Institute of Sustainable Development and Management. He has been associated with our Company since 2007.

Mr. Satish Chandra Chaturvedi is a practicing chartered accountant and is a partner of Chaturvedi and Co., a chartered accountancy firm. He started his career as the main partner of his firm and he was associated with many renowned public and private sector companies as auditors. He has an experience of 38 years. He has been associated with our Company since 2007.

Mr. Dwarka Prasad Mathur holds a masters degree in economics from the University of Rajasthan, Jaipur. He was associated with the Directorate of Economics and Statistics, Government of Rajasthan from 1960 to 1961 and was associated thereafter with the Perspective Planning Division, Planning Commission, New Delhi. He was responsible for undertaking village studies to focus on changes on account of development programmes initiated by the government during his association with the Agro-Economic Research Center, Sardar Patel University, Vallabh Vidyanagar. From 1967 to 1999, he was associated with the Center for Management in Agriculture, Indian Institute of Management, Ahmedabad and has conducted case studies on evaluation of government sponsored development programmes, processing of agricultural products, farm mechanization, post harvest technology and the feasibility of setting up agro-based industries. He has also been associated with the Food and Agricultural Organisation of the United Nations, Rome as a Resource Person from 1984 to 1986. He has also been a director of the CSIRER, Shivaji University, Kolhapur. He was associated with the Maharashtra Pollution Control Board, Central Leather Research Institute, Ministry of Commerce, the Ministry of Rural

Development and is currently the member secretary of the International Institute of Sustainable Development and Management, Ahmedabad. He has been associated with our Company since September 2009.

Mr. Tushar Kanti Das IAS (Retd.) holds a masters' degree in economics from Calcutta University. He has completed the executive development programme, IAS training from the Lal Bahadur Shastri National Academy of Administration, Mussorie, India, the management development program from Indian Institute Management, Kolkata and Indian Institute Management, Ahmedabad and from the Administrative Staff College, Hyderabad, India. Mr. Das has also completed the public health and human resource development programme from Bradford University, USA and the health management and health economics programme from the World Bank Institure, Washington, USA. Mr. Das has been a part of the Indian Adminsitrative Service, Government of India from 1965 to 2001. As an IAS officer for the Government of India, he has held the post of the Sub-Divisional Officer and Additional District Magistrate, Hoogly, West Bengal from 1969 to 1973, the post of the Joint Secretary, Union Ministry of Health, New Delhi from 1973 to 1977, the post of a District Magistrate and Collector, Birbhum and Burdwan, West Bengal from 1977 to 1981 and the position of the Director, Public Vehicles Department and the Inspector General, Prisons, West Bengal during the 1980s. He has been the Joint Secretary Government of India during 1989-95 and also held the post of Principal Secretary, Governement of West Bengal during 1998-2001. He has also been a consultant to the World Health Organisation and a member of the West Bengal State Electricity Board. From 2003 to 2007, he has held the position of the Administrator of the Calcutta Stock Exchange. He has been associated with our Company since September 2009.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders of our Company on June 19, 2009 in accordance with provisions of the Companies Act, the Board is authorised to borrow monies upon such terms and conditions, with or without security, as the Board may think fit, provided that the monies to be borrowed together with the monies already borrowed by our Company (apart from the temporary loans obtained from its bankers in the ordinary course of business) shall not exceed, at any time, exceed Rs. 1,500 crores.

Remuneration of our Executive Directors

Pursuant to agreements dated August 17, 2007 and supplementary agreement dated March 14, 2008, Mr. Nilesh Parekh's and Mr. Umesh Parekh's remuneration has been determined as under:

Salary	Rs. 18,00,000 per annum
Perquisites	*Profit Share:* Profit share shall not exceed 2.25% of the audited annual net income of our Company, calculated in accordance with the Indian Accounting Standards prescribed by the ICAI. *Other Perquisites:* • Use of car and driver for official purposes • Provision of mobile and telephone at residence for official use • Reimbursement of medical expenses for self, spouse and dependent children subject to a ceiling of one month's salary in a year or three month's salary over a period of three years. • Fees of clubs subject to a maximum of two clubs • Leave and travel concessions for self and family once a year in accordance with the rules of our Company • Company's contribution to provident fund to the extent the same is not taxable • Gratuity payable at a rate not exceeding 15 days salary for each completed year of service. • Encashment of leave in accordance with the rules of our Company

Remuneration including commission on profits paid to our Executive Directors for the year ended March 31, 2009

(Rs. in lacs)

Name of Director	Remernation paid
Mr. Nilesh Parekh	151.46
Mr. Umesh Parekh	151.46

Compensation of our non-executive Directors

We do not provide any compensation to any of our non-executive Directors, except sitting fees for attending the meetings of our Company and the Board. Our Directors are not required to hold any qualification shares.

Board Procedure

Our Company has held Board meetings as per the provisions of the Companies Act and has maintained minutes of the meetings thereof.

Shareholding of our Directors:

The details of the shareholding of our Directors are as under:

Sr. No.	Name of the Directors	Number of Equity Shares	Percentage shareholding (%)
1.	Mr. Nilesh Parekh	88,91,200	18.32
2.	Mr. Umesh Parekh	94,75,300	19.52

For details regarding Equity Shares held by the Promoters and their families and entities controlled by them, please see the section titled "Capital Structure" beginning on page 24 of this Red Herring Prospectus.

Interest of Directors:

All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them and/or by their friends and relatives in our Company or allotted to them in the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and / or trustees.

The Articles of Association provide that the Directors and officers shall be indemnified by our Company against loss, if any, in defending any proceeding brought against Directors and officers in their capacity as such, if the indemnified Director or officer receives judgment in his favour or is acquitted in such proceeding. For further details, please refer Article 158 of the Articles of Association.

Except as stated otherwise in this Red Herring Prospectus, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Payment or Benefit to Officers of our Company (non salary related)

Except as stated mentioned in the section titled "Related Party Transactions" beginning on page 150 of this Red Herring Prospectus, no amount or benefit has been paid or given since incorporation or is intended to be paid or given to any of the Directors or Key Managerial Personnel or officers of our Company except the normal remuneration for services rendered as Directors, officers or employees.

Bonus and/or profit sharing plan for the Directors

Profit share shall not exceed 2.25% of the audited annual net income of our Company, calculated in accordance with the Indian Accounting Standards prescribed by the ICAI. We do not have a policy for the payment of bonus to our executive directors.

Other Benefits and benefits on termination

Our Company has made no other payments or benefits to its officers besides their salary. Our Company does not give any benefits to our Directors on termination of service.

Changes in the Board of Directors for the last three years:

The following changes have occurred in the Board of Directors in the last three years:

Name of Director	Date of Appointment/ Resignation	Reasons for change
Mr. Pawan Singh Ingty	April 20, 2007	Appointment
Mr. Dipak Rudra	April 20, 2007	Appointment
Mr. Dipak Rudra	October 12, 2007	Resignation
Mr. Sharad Mohata	October 30, 2007	Appointment
Mr. Satish Chandra Chaturvedi	November 21, 2007	Appointment
Mr. Hemant Raja	March 28, 2008	Appointment
Mr. Dwarka Prasad Mathur	September 9, 2009	Appointment
Mr. Tushar Chandra Das	September 9, 2009	Appointment

Changes in Auditors

Changes in our auditors in the last three years are as follows:

Name of Auditor	Date of Appointment/ Resignation	Reasons for change
Sharad Mohata & Co 6, Mangoe Lane, Kolkata – 700001	September 4, 2006	Resignation
Chaturvedi & Company Park Centre, 2nd Floor, 24 Park Street, Kolkata – 700016	September 28, 2006	Appointment
Chaturvedi & Company Park Centre, 2nd Floor, 24 Park Street, Kolkata – 700016	May 25, 2007	Resignation

Name of Auditor	Date of Appointment/ Resignation	Reasons for change
BSR & Associates Infinity Benchmark, Plot No. G1, 10th Floor, Block EP and GP, Sector V, Salt Lake City, Kolkata – 700 091	June 11, 2007	Appointment

Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE and NSE and the SEBI ICDR in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges. Our Company undertakes to adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges on listing (Clause 49). The Board of Directors consists of a total of eight directors of which four are independent directors (as defined under Clause 49), which constitutes 50% of our Board of Directors. This is in compliance with the requirements of Clause 49.

In terms of Clause 49, our Company has already appointed independent Directors and constituted the following committees:

Audit Committee

Members: Mr. Satish Chandra Chaturvedi – Chairman
Mr. Pawan Singh Ingty
Mr. Hemang Raja

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of our Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

Terms of reference / scope of the Audit Committee are:

General Functions and Powers:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending the appointment and removal of external auditors, fixing of audit fee and also approval for payment for any other services.

3. Reviewing the annual financial statements before submission to the Board, focusing primarily on:

- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements

- Any related party transactions i.e. transactions of our Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potentially conflict with the interests of Company in general.
- Matters required to be included in the Directors' Responsibility Statement in terms of Section 217 (2AA) of the Companies Act, 1956.

4. Reviewing the adequacy of the internal audit function, 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.

5. Discussion with internal auditors any significant findings and follow-up there on.

6. 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.

7. Reviewing with management the performance of External and Internal Auditors and adequacy of Internal Control Systems.

8. Discussion with statutory auditors before the audit commences on the nature and scope of audit as well as having post-audit discussions to ascertain any areas of concern.

9. Reviewing with the management the quarterly financial statements before submission to the Board for approval.

10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

11. Carrying out any other function as and when required by the Board.

Information for review:

1. Management discussion and analysis of financial condition and results of operations.

2. Statement of significant related party transactions (as may be defined by the audit committee) submitted by management.

3. Management letters / letters of internal control weaknesses issued by the statutory auditors.

4. Internal audit reports relating to internal control weaknesses.

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.

6. The uses / application of funds raised through public issues, rights issues, preferential issues, etc.

7. Review of the financial statement of unlisted subsidiaries company(ies), in particular the investments made by them.

Shareholders'/Investors' Grievance Committee

Members: Mr. Satish Chandra Chaturvedi – Chairman
Mr. Sharad Mohata
Mr. Pawan Singh Ingty

This Committee is responsible for the redressal of shareholder grievances.

1. The terms of reference of the Investor Grievance Committee are as follows:

2. To approve allotment of shares, debentures and other securities as per the authority conferred/ to be conferred to the Committee by the Board of Directors from time to time.

3. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name etc., of shares, debentures and securities, which are above 5,000 in number in each individual case per transfer deed/per application received by our Company

4. To authorize the officers of our Company to approve the requests for transfer, transposition, deletion, consolidation, sub-division, change of name etc., of shares, debentures and securities up to 5,000 in numbers in each individual case per transfer deed/per application received by our Company.

5. To monitor, under the supervision of our Company Secretary, the complaints received by our Company from SEBI, Stock Exchanges, Department of Company Affairs, RoC and the Share/Debenture/Security holders of our Company etc., and the action taken for redressal of the same.

6. To approve and ratify the action taken by the authorised Officers of our Company in compliance with the requests received from the Shareholders/Investors for issue of duplicate/replacement/ consolidation/ sub-division share certificates and other purposes for the shares, debentures and securities of our Company.

7. To monitor and expedite the status and process of dematerialisation and dematerialisation of shares, debentures and securities of our Company.

To give directions for monitoring the stock of blank stationery and for printing of stationery required by the Secretarial Department of our Company, from time to time, for issuance of share certificates, debenture certificates, allotment letters, warrants, pay orders, cheques and other related stationary.

Remuneration Committee

Members: Mr. Pawan Singh Ingty – Chairman
Mr. Satish Chandra Chaturvedi
Mr. Hemang Raja

This Committee is responsible for determining the remuneration of executive directors of our Company.

The terms of reference/ scope of the Committee are as follows:

1. to ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;

2. to develop and implement a plan for identifying and assessing competencies of directors;

3. to identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:

- the range of skills currently represented on the board;
- the skills, expertise, experience (including commercial and/or industry experience) and particular qualities that make individuals suitable to be a director of our Company; and/or
- the individual's understanding of technical, accounting, finance and legal matters;

4. to make recommendations for the appointment and removal of directors;

5. ensure that our Company has in place programmes for the effective induction of new directors;

6. to review, on an ongoing basis, the structure of the board, its committees and their interrelationship;

7. to determine a broad policy for the remuneration of executive directors, the chairman of our Company and such other members of senior management as it is designated to consider; and

8. within the terms of the agreed policy, determine the total individual remuneration package of each executive director including, where appropriate, bonuses, incentive payments and share options.

IPO Committee

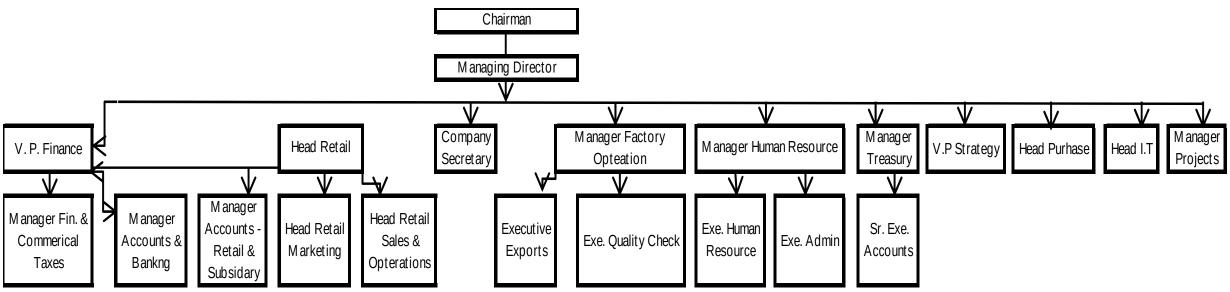
Members: Mr. Nilesh Parekh – Chairman
Mr. Umesh Parekh
Mr. Hemang Raja

This committee is responsible for discussing and taking decisions regarding matters relating to the Issue and recommending the same to the Board.

Guarantees given by our Promoters

Except as disclosed in the section "Financial Indebtedness", our Promoters have not given any personal guarantees in relation to any of the debt obligations of our Company.

Management Organisation Structure of our Company:



Key Managerial Personnel

Our Company is managed by the Board of Directors, assisted by qualified professionals. The details of key managerial personnel of our Company are as follows:

Sr. No.	Name	Designation	Age (in years)
1.	Mr. Ashok P. Sahni	Chief Financial Officer	56
2.	Mr. Mukund Chandak	Company Secretary and Compliance Officer	26
3.	Mr. Manoj Dalal	Vice – President, Strategy	45
4.	Mr. Sujith Kumar B. M	Head, Sales and Retail Operations	33
5.	Mr. Rahul Singh	Head, Retail Marketing	34
6.	Mr. Pawan Khaitan	Head Purchase	40
7.	Mr. Rajeev Choudhury	Head, Information Technology	38
8.	Mr. Rajesh Bharwada	Manager, Factory Operations	38
9.	Mr. Ashish Roy	Manager, Treasury	60
10.	Mr. Sanjeet Kumar Sharma	Manager, Accounts and Banking	39
11.	Mr. Sanjay Joshi	Project Manager	45
12.	Mr. Abhishek Rungta	Manager, Accounts	33
13.	Mr. Rahul Tiwari	Manager, Human Resource	27

The following are brief biographies of our senior management:

Mr. Ashok P. Sahni is a commerce graduate from Calcutta University and is a chartered accountant. He has over 28 years of experience in the field of accounts and finance. Prior to joining our Company, he was associated with the Apeejay Tea Group as their Director, Finance. Prior to his association with the Apeejay Tea Group, he was associated with Rossel India, where he was instrumental in the execution of the acquisition of Rossel India by Hindustan Lever Limited. He has been associated with our Company since August 2008. He is the Chief Financial Officer of our Company. Mr. Sahni has been paid a gross remuneration of Rs. 6.09 lacs for the financial year 2008 – 2009

Mr. Mukund Chandak is a commerce graduate from Calcutta University and is a qualified company secretary and a qualified chartered accountant. He has three years of experience in the field of secretarial practice and corporate compliance. He has been associated with our Company since November 2006 and is designated as our Company Secretary and the Compliance Officer. His responsibilities include the administration of the legal, secretarial and compliance teams. Mr. Mukund Chandak has been paid a gross basic remuneration of Rs. 4.71 lacs for the financial year 2008-2009.

Mr. Manoj Dalal is a commerce graduate from Calcutta University. He has over two decades of work experience including his intrepreneurial ventures of a restauranteur and publisher. He was associated with Granton Advertisment, a Canadian advertising firm. He was awarded the “Best Merchandiser of the Year” and “Manager of the Year” during his association with Granton Advertisment. He has been associated with our Company since July 1, 2009 and is responsible for formulaing strategies for expansion of retail outlets and brand building exercises. Since Mr. Dalal has been associated with us since July 1, 2009, no remuneration has been paid to him for the financial year 2008 – 2009.

Mr. Sujith Kumar B. M holds a LLB degree from Mangalore University and has completed his MBA from Wishveshwara University. He has almost seven years of experience in the field of jewellery. Prior to joining our Company, he was associated with Damas where he was designated as the Area Sales Manager. During his association with Damas, he was awarded thrice for increasing the retail sales for the company. He has been associated with our Company since November 2007 and is designated as the Head, Retail Operations. Mr. Sujith Kumar has been paid a gross remuneration of Rs. 10.49 lacs for the financial year 2008-2009.

Mr. Rahul Singh is a commerce graduate from Calcutta University and is a trained daimantaire. He has almost fifteen years of experience in the field of marketing, branding and design development. Prior to joining our Company, he was associated with the Ruhia Group where he was designated as the Senior Executive, International Trade. He has been associated with our Company since November 2006 as a consultant and was designated as the designated as the Head, Retail Marketing and Corporate Communications on June 1, 2008. His responsibilities include marketing, branding and design development of our products and the administration of our marketing division. In 2005, Mr. Singh was awarded the "Best Design Concept" award by Sin Gems. Mr. Singh has been paid a gross basic remuneration of Rs. 4.76 lacs for the financial year 2008-2009.

Mr. Pawan Khaitan is commerce graduate from Calcutta University. He has over 25 years of experience in the field of gold and diamond jewellery. Prior to joining our Company, he was associated with Chirag Selection as the Purchase Head. He has been associated with our Company since July 2009 and is responsible for the purchase of the raw materials. Since Mr. Khaitan has been associated with us since July 1, 2009, no remuneration has been paid to him for the financial year 2008 – 2009.

Mr. Rajeev Choudhury holds a masters degree in information technology. He has over 15 years of experience in undertaking assignments relating to information technology along with ERP implementations and domain expertise in networking, storage and virtualization. Prior to joining our Company, he was associated with the Ruia Group as Senior Manager, Information Technology. He has been featured in CTO Forum for his innovative design in data communication. He has been associated with our Company since September 4, 2009 as Head, Information Technology. He is responsible for developing ERP systems, e-commerce applications and custom web application for our Company. Since Mr. Choudhury has been associated with us since September 4, 2009, no remuneration has been paid to him for the financial year 2008 – 2009.

Mr. Rajesh Bharwara is a commerce graduate from Calcutta University and has fifteen years of experience in the jewellery industry. Prior to joining our Company, he was associated with his family business. He has been associated with our Company since April 2007 and is designated as the Manager, Factory Operations and his responsibilities include the monitoring of production and day to day management of the factories. Mr. Bharwara has been paid a gross remuneration of Rs. 5.20 lacs for the financial year 2008-2009.

Mr. Ashish Roy is commerce graduate from Calcutta University and holds a CAIIB degree. He has over 35 years of experience in the field of management and administration of treasury. Prior to joining our Company, he was associated with Hindustan Udyod Limited as the Senior Assistant Manager, Treasury. He has been associated with our Company since September 2007 and is responsible for the management and administration of the treasury division. Mr. Roy has been paid a gross remuneration of Rs. 3.37 lacs for the financial year 2008-2009.

Mr. Sanjeet Kumar Sharma is a commerce graduate from Calcutta University and has almost two decades of experience in the field of finance and banking. Prior to joining our Company, he was associated with Archana Securities Private Limited where he was designated as the Manager, Account. He has been associated with our Company since July 2003 and is designated as the Manager, Finance and Banking. Mr. Sharma has been paid a gross basic remuneration of Rs. 4.55 lacs for the financial year 2008-2009.

Mr. Sanjay Joshi is a commerce graduate from Calcutta University and holds a post graduate diploma in business management from the Institute of Modern Management. Prior to joining our Company, he was associated with the A.V. Birla Group, the Rahul Bajaj Group and the Punj Group experience. He has over a decades' experience in the industry.He has been associated with our Company since June 1, 2007 as a Project Manager. Mr. Joshi has been paid a gross remuneration of Rs. 2.46 lacs for the financial year 2008 – 2009.

Mr. Abhishek Rungta is a commerce graduate from Calcutta University and is a chartered accountant. He has almost seven years of experience in the field of finance and accounts. Prior to joining our Company, he was associated with Vishal Retail Limited where he was designated as the Manager, Accounts and the east zonal head. He has been associated with our Company since August 2008 and is designated as the Manager, Accounts. Mr. Abhishek Rungta has been paid a gross basic remuneration of Rs. 3.44 lacs for the financial year 2008-2009.

Mr. Rahul Tiwari holds a bachelors' of arts' degree from from Lucknow University. He has almost six years of experience in the field of human resource management. Prior to joining our Company, he was associated with HSBC Bank from 2003 to 2005 as a senior executive. He was associated thereafter with Kotak Life Insurance his family business. He has been associated with us since June 12, 2007 and has been designated as the Manager, Human Resource. He has been paid a gross remuneration of Rs. 3.20 lacs for the financial year 2008-2009

All the Key Managerial Personnel are permanent employees of our Company. None of the Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold the beneficial ownership of any Equity Shares.

Bonus and/or profit sharing plan for the Key Managerial Personnel

There is no profit sharing plan with the Key Managerial Personnel. Bonuses are given as per the bonus given to the other employees of our Company.

Changes in Key Managerial Personnel

There have the following changes in the Key Managerial Personnel of our Company within the last three years of filing of this Red Herring Prospectus:

Name of Key Managerial Personnel	Designation	Date of change	Reasons for change
Mr. Mukund Chandak	Company Secretary and Compliance Officer	November 15, 2006	Appointment
Mr. Rahul Singh	Head, Retail Marketing and Corporate Communications	June 1, 2008	Appointment
Mr. Rajesh Bharwada	Manager, Factory Operations	April 2, 2007	Appointment
Mr. Rahul Tiwari	Manager, Human Resource	June 12, 2007	Appointment
Mr. Ashish Roy	Manager, Treasury	September 1, 2007	Appointment
Mr. Purna Prakash Pain	Manager, Treasury	October 31, 2007	Resignation
Mr. Sujith Kumar BM	Head, Sales and Retail Operation	November 1, 2007	Appointment
Mr. Sanjay Joshi	Project Manager	June 1, 2008	Appointment
Mr. Ashok P. Sahni	Chief Financial Officer	August 1, 2008	Appointment
Mr. Abhishek Rungta	Manager, Accounts	August 4, 2008	Appointment
Mr. Noratan Mal Rampuria	Chief Financial Office	September 25, 2008	Resignation

Name of Key Managerial Personnel	Designation	Date of change	Reasons for change
Mr. Manoj Dalal	Vice – President, Strategy	July 1, 2009	Appointment
Mr. Pawan Khaitan	Purchase Head	July 1, 2009	Appointment
Mr. Rajeev Choudhury	Senior Manager, Information Technology	September 4, 2009	Appointment

Interest of the Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our Key Managerial Personnel are directors on the board of any of our Group Companies. None of the Key Managerial Personnel are entitled to any benefits, monetary or otherwise, on termination of employment.

Relationship between Promoter / Directors and Key Managerial Personnel:

There is no relation between any of the Promoters / Directors and any person occupying any management positions at the board level or at one level below the board.

None of the Key Managerial Personnel are related to each other.

Employee Stock Option Scheme

As of date of this Red Herring Prospectus, our Company has not formulated any Employee Stock Option or Purchase Scheme.

Sales or Purchase between companies in the Promoter Group

Except as disclosed under "Related Party Transactions" on page 150 of this Red Herring Prospectus, there have been no sales or purchases between the group companies.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters:

The Promoters of our Company are Mr. Nilesh Parekh and Mr. Umesh Parekh.

Details of our Promoters:

- Mr. Nilesh Parekh
- Passport number – F9532737,
- Voters identity number – MFN1808773,
- Driving license number is WB-011995707605,
- Permanent Account Number – AGHPP1443M,
- Bank Account Details: Corporation Bank, Bank Account No: SB – 11715
- Director's Identification Number: 0050671

- Mr. Umesh Parekh
- Passport number – F5510571,
- Voters identity number – None,
- Driving license number is WB-011988406438,
- Permanent Account Number – AGHPP1442L,
- Bank Account Details: Corporation Bank, Bank Account No: SB – 11048
- Director's Identification Number: 0050705

For further details of our Promoters, please refer to the section titled "Our Management" and for details of any outstanding litigation by and against them, please refer to the section titled "Outstanding Litigations and Other Material Developments" beginning on page 129 and page 308 respectively of this Red Herring Prospectus.

We confirm that the details of the permanent account numbers, bank account numbers and passport numbers of our individual promoters shall be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with the Stock Exchanges.

Common Pursuits

For, further details on the related party transactions, to the extent of which Our Company is involved, see the section titled "Related Party Transactions" beginning on page 150 of this Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, if at all and as and when they may arise.

Except as stated in this section, none of our Promoters or Directors is involved with one or more ventures which are in the same line of activity or business as that of our Company.

Interest of our Promoters

The Promoters may be deemed to be interested to the extent of the Equity Shares held by them, their friends and their relatives and benefit from holding directorship in our Company.

Except as disclosed above and in the section titled "Related Party Transactions" beginning on page 150 of the Section titled "Financial Information", the promoters of our Company have no interest other than reimbursement of expenses incurred, normal remuneration or benefits, if any.

Interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus or proposed to be acquired by our Company.

The Promoters are not interested in any property that has been acquired by our Company within two years from the date of this Red Herring Prospectus or proposed to be acquired by our Company.

Payments of benefits to our Promoters during the last two years **(Rs. in Lacs)**

Promoter	Details	HY 2101	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Mr. Nilesh Parekh	Loan given	-	-	-	198.86	27.82	-
	Repayment of loan given	-	-	7.24	240.36	21.07	-
	Loan taken	-	-	-	0.03	-	-
	Repayment of loan taken	-	-	-	47.74	-	-
	Interest income on loan given	-	-	-	7.26	-	-
	Loans given outstanding as at the year end	-	-	-	7.24	27.82	21.07
	Remuneration including commission on profit	90.33	151.46	101.75	1.20	0.90	0.60
	Interest on on loan taken	-	-	-	-	-	1.57
	Receivable / (payable) as at the year end	(189.79)	(133.46)	(43.75)	(1.20)	-	-
Mr. Umesh Parekh	Loan given	-	-	-	-	-	-
	Repayment of loan given	-	-	-	-	-	-
	Loan taken	-	20.00	-	40.36	17.50	-
	Repayment of loan taken	-	20.00	-	90.52	15.00	-
	Capital advances	-	-	-	5.50	-	-
	Other repayments	-	-	-	5.50	-	-
	Remuneration including commission on profit	90.33	151.46	101.75	1.20	0.90	0.60
	Interest on on loan given	-	-	-	-	-	1.17
	Loans given outstanding as at the year end	-	-	-	-	11.64	14.14
	Receivable / (payable) as at the year end	(133.79)	(133.46)	(46.18)	(1.20)	-	-

Other Confirmations

Our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of Our Company. Our Company has advanced loans to the Group Companies but has not received any unsecured loans from the Group Companies. No interest has been charged by our Company and the members of the Promoter Group Companies.

Our Promoters and Promoter Group, including relatives of the Promoters have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority. Further, there are no violations of securities laws committed by our Promoters and Promoter Group in the past or are pending against them.

Group Companies referred to the BIFR/ under winding up / having negative net worth

None of our Group Companies has a negative net worth nor has not been referred to the BIFR or is winding up.

Sales or Purchase between companies in the Group Companies

There have been no sales or purchases between the Group Companies except as stated in the section titled "Related Party Transactions" beginning on page 150 of this Red Herring Prospectus.

Relationship amongst Board of Directors and Key Managerial Personnel

None of our Directors are related to any of our Key Managerial Personnel named in this Red Herring Prospectus.

Disassociation of the Promoters from other companies in the last three years:

Our Promoters have resigned from the directorship and have sold their entire shareholding in Vansika Jewels Private Limited with effect from April 1, 2009 as the said company was not carrying on any operations.

Our Promoters have also disassociated from Shree Vinayak Jewellers with effect from April 15, 2009 as the said firm was not carrying out any operations.

The natural persons who are part of our Promoter Group (due to the relationship with our Promoters), other than the Promoters named above are as follows:

Relationship	Mr. Umesh Parekh	Mr. Nilesh Parekh
Father	Late Shailendra Parekh	Late Shailendra Parekh
Mother	Ms. Kumud Parekh	Ms. Kumud Parekh
Brother	Mr. Nilesh Parekh and Mr. Kamlesh Parekh	Mr. Umesh Parekh and Mr. Kamlesh Parekh
Sister	-	-
Spouse	Ms. Sumona Parekh	Ms. Ratna Nilesh Parekh
Children	Mr. Nischay Parekh	Mr. Karan Parekh and Ms Vansika Parekh
Spouse's Father	Mr. Subir Mullick	Late Kundan Das Pabnani
Spouse's Mother	Ms. Mamta Mullick	Ms. Rukmani Pabnani
Spouse's Brother	-	Mr. Jaikishan Pabnani, Mr. Nirmal Pabnani, Mr. Mohan Pabnani, Mr. Chandru Pabnani, Mr. Nanik Pabnani and Mr. Kanya Pabnani
Spouse's Sister	-	Ms. Gita Lalwani, Ms. Maya Thomas and Ms. Parbati Khatwani

Group Companies

Given below is the list of entities promoted by the Promoters. The Group Companies consists of HUF's and trust. None of them has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and are not under winding up.

1. HUFs forming part of the Group Companies:

   - Nilesh Parekh HUF
   - Umesh Parekh HUF

Trusts forming part of the Group Companies

Shailendra Parekh Foundation

Other than those stated above, there are no partnership firms, trusts, HUFs, proprietorships or other entities that are part of the Promoter Group.

Details of the entities promoted by the Promoters:

Hindu Undivided Families

1. **Nilesh Parekh HUF** is a hindu undivided family, represented by its karta Mr. Nilesh Parekh.

Financial Performance

(Rs. in Lacs)

	For the year ended March 31, 2007	For the year ended March 31, 2008	For the year ended March 31, 2009	For the period ended September 30, 2009
Capital Account	11.91	14.21	35.50	55.80
Interest Income	Nil	Nil	Nil	Nil
Net Surplus	6.39	6.45	24.30	21.20

2. Umesh Parekh HUF is a hindu undivided family, represented by its karta, Mr. Umesh Parekh.

Financial Performance

(Rs. in lacs)

	For the year ended March 31, 2007	For the year ended March 31, 2008	For the year ended March 31, 2009	For the period ended September 30, 2009
Capital Account	9.21	15.44	44.86	74.44
Interest Income	Nil	Nil	Nil	Nil
Net Surplus	5.20	7.54	32.01	30.18

Details of trusts

Shailendra Parekh Foundation is a charitable trust set up pursuant to a trust deed dated May 16, 2007 for the purpose of opening and maintaining charitable hospitals, educational institutions and providing other forms of charitable reliefs. The office of the trust is located at Ground Floor, 227, Acharya Jagdish Chandra Bose Road, Kolkata – 700 020.

Trustees

- Ms. Kumud Parekh
- Mr. Nilesh Parekh
- Mr. Umesh Parekh

Financial performance

(Rs. in lacs)

	As on March 31, 2008	As on March 31, 2009	AS on September 30, 2009
Total Income	Nil	Nil	Nil
Applied for charitable purpose	Nil	Nil	Nil
Excess receipts over payments	Nil	Nil	Nil
PAT	Nil	Nil	Nil

Sick companies

None of the Promoter Group Companies/ partnership firms listed above has been declared as sick industrial unit within the meaning if clause (o) of subsection (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 or have been restrained by SEBI or any other regulatory authority in India from accessing the capital markets for any reason.

None of the Promoter Group Companies/ partnership firms listed above is in the process of winding up.

None of the Promoter Group Companies/ partnership firms listed above have made a public/ rights issue of their equity shares since inception.

Except as disclosed in this section, none of the Promoter Group companies have a negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

RELATED PARTY TRANSACTIONS

List of Related Parties as per Accounting Standard – 18 prescribed by Companies (Accounting Standard) Rules, 2006.

Sl. No.	Nature of relationship	Name of the Party
(i)	Enterprises directly / indirectly are under common control with the Company # # #	Umesh Parekh (HUF)
		Nilesh Parekh (HUF)
		Swastik Wheat Product Agencies Private Limited
		Vanshika Jewels Private Limited (ceased to be a Group company w.e.f. 1 April 2009)
		Gokul Jewellery House Private Limited, Subsidiary w.e.f 25 June 2007
		JT Metals & Minerals Exports Private Limited, Subsidiary w.e.f 16 July 2007
		Bajoria Apartments Private Limited, Subsidiary w.e.f 21 June 2007
		Chaturbhuj Jewellery House Private Limited, Subsidiary w.e.f 22 June 2007
		Gold Art Jewellers Private Limited, Subsidiary w.e.f 26 June 2007
		Safal Jewellers Private Limited, Subsidiary w.e.f 29 June 2007
		Shrishti Jewel Art Private Limited, Subsidiary w.e.f 27 June 2007
		Smart Gold Jewel House Private Limited, Subsidiary w.e.f 27 June 2007
		Samukh Exim Private Limited, Subsidiary w.e.f 27 June 2007
		Galaxy Jewel Private Limited, Subsidiary w.e.f 27 June 2007
		Mudrika Jewels Private Limited, Subsidiary w.e.f 27 June 2007
		Subarna Jewels Private Limited, Subsidiary w.e.f 27 June 2007
		Shree Ganesh Jewellery House (Singapore) Pte. Ltd., Subsidiary w.e.f 5 Oct 2007
		Easy fit Jewellery Private Limited, Subsidiary w.e.f 14 Jan 2008
		Shree Vinayak Jewellers (ceased to be a Group company w.e.f. 14 April 2009)
		Liberson Dealcomm Private Limited
		Aastha Complex Private Limited *
		Doyen Traders & Properties Private Limited *
		Shree Gajanand Jewellers Private Limited *
		Janki Properties Private Limited *
		Pitty Fincon Service Private Limited *
		Creative Jewels (India) Private Limited *
		Pancharatna Jewellers Private Limited *
(ii)	Associate of the Company # # #	Damgan Retail Jewellery Private Limited, Associate w.e.f 30 October 2006
(iii)	Individuals owning (directly / indirectly) an	Mr. Umesh Parekh - Managing Director #
		Mr. Nilesh Parekh - Chairman #

Sl. No.	Nature of relationship	Name of the Party
	interest in the voting power of the Company that gives them control or significant influence (also the key management personnel)	Mr. Kamlesh Parekh # Mrs. Kumud Parekh # # Mrs. Sumona Parekh # # Mrs. Rani Parekh # # Mrs. Priti Parekh # # Mr. Karan Parekh # #
(iv)	Enterprise over which persons mentioned in (iii) are able to exercise significant influence.# # #	Safal Properties Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009) NUK Properties Pvt. Ltd. Kalindi Enclave Pvt. Ltd. Reliable Dealer Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009) Masco Mercantile Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009) Kamlesh Parekh (HUF) BSR Caterers Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)

** The companies have been amalgamated with Shree Ganesh Jewellery House Private Limited pursuant to a scheme approved by the shareholders and approved by the Hon'ble High Court, Kolkata from 1 April, 2006 (appointed date).*

 # Promoters

 # # Relatives of the promoters

 # # # Group Companies

(Amount Rupees in Lakhs)

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Swastik Wheat Products Agencies Pvt Ltd	Rent expense	-	1.00	-	-	-	-
	Security deposit given	2.50	-	2.50	-	-	-
	Receivable / (payable) as at the year end	(0.27)	2.50	2.50	-	-	-
Shree Ganesh Jewellery House(Singapore) Pte Ltd	Loan given	4.11	-	2.26	-	-	-
	Interest income on loan given	0.36	0.20	0.03	-	-	-
	Investment made	-	-	2.74	-	-	-
	Loans given outstanding as at the year end	6.96	2.49	2.29	-	-	-
Easy Fit Jewellery Pvt Ltd	Sale of Goods	-	28.52	-	-	-	-
	Loan given	10.00	10.19	3.80	-	-	-
	Interest income on loan given	1.33	0.47	0.04	-	-	-
	Investment made	-	-	88.83	-	-	-
	Loans given outstanding as at the year end	25.37	14.50	3.84	-	-	-
	Receivable / (payable) as at the year end	28.52	28.52	-	-	-	-
Kalindi Enclave Pvt Ltd	Rent expense	0.60	1.60	0.50	-	-	-
	Receivable / (payable) as at the year end	(0.10)	-	(0.40)	-	-	-
JT Metals & Minearls Export Pvt Ltd	Sale of Goods	47.45	-	-	1,674.78	-	-
	Loan given	-	-	0.13	3.00	24.52	-
	Repayment of loan given	-	-	-	17.75	15.00	-
	Loan taken	-	-	127.00	602.20	-	-
	Repayment of loan taken	-	126.87	-	602.20	-	-
	Investment made	-	-	310.10	-	-	-
	Loans taken outstanding as at the year end	-	-	126.87	-	9.52	-
	Receivable / (payable) as at the year end	47.45	-	(54.85)	(54.85)	-	-
Gold Art Jewellers Pvt Ltd	Sale of Goods	1,398.40	814.72	543.25	943.50	-	-
	Purchase of goods	311.78	69.26	-	-	-	-
	Commission income	-	0.13	-	-	-	-
	Loan given	290.72	650.00	-	-	-	-
	Repayment of loan given	310.32	341.00	-	-	-	-
	Loan taken	-	-	10.00	394.00	-	-
	Repayment of loan taken		-	10.00	394.00	-	-
	Interest income on loan given	17.43	1.32	-	-	-	-
	Investment made	-	-	34.02	-	-	-
	Advances made for purchase of goods	-	-	0.16	-	-	-
	Loans given outstanding as at the year end	308.15	310.32	-	-	-	-
	Receivable / (payable) as at the year end	268.74	219.45	0.16	-	-	-
Bajoria Apartment Pvt Ltd	Sale of Goods	-	-	222.61	794.62	-	-
	Purchase of goods	38.16	-	-	-	-	-
	Loan given	2.00	54.17	6.56	59.25	-	-
	Repayment of loan given	16.01	-	12.88	60.91	-	-
	Loan taken	-	-	-	675.39	-	-
	Repayment of loan taken	-	-	-	675.39	-	-
	Interest income on loan given	0.11	-	-	6.32	-	-
	Investment made	-	-	5.04	-	-	-
	Loans given outstanding as at the year end	2.11	54.17	-	6.32	-	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Chaturbhuj Jewellery House Pvt Ltd	Sale of Goods	230.53	-	442.90	-	-	-
	Purchase of goods	-	-	133.70	-	-	-
	Investment made	-	-	19.91	-	-	-
	Advances made for purchase of goods	-	-	0.10	233.24	-	-
	Other repayments	-	-	-	153.28	-	-
	Receivable / (payable) as at the year end	230.64	0.10	0.10	(79.96)	-	-
Gokul Jewellery House Pvt Ltd	Sale of Goods	149.95	-	-	12.00	-	394.83
	Purchase of goods	143.48	-	-	426.72	8.38	-
	Loan given	-	61.52	111.69	1,451.76	520.17	-
	Repayment of loan given	-	88.00	22.97	2,006.33	177.00	-
	Loan taken	-	-	91.00	760.91	-	-
	Repayment of loan taken	-	-	91.00	808.09	-	-
	Interest income on loan given	5.17	6.11	3.90	15.03	-	-
	Investment made	-	-	28.48	-	-	-
	Job work Income	-	28.48	1.28	4.69	22.51	-
	Loans given outstanding as at the year end	98.97	95.06	115.43	22.81	343.17	-
	Receivable / (payable) as at the year end	6.46	-	28.48	(70.85)	22.51	-
Mudrika Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
	Security deposit given	-	1.10	-	-	-	-
	Receivable / (payable) as at the year end	1.10	1.10	-	-	-	-
Shree Vinayak Jewellers (partnership), Mumbai	Sale of Goods	-	-	-	-	-	17.24
	Purchase of goods	-	-	-	7.71	-	-
	Loan given	-	-	-	14.55	0.11	0.55
	Repayment of loan given	-	-	-	3.45	-	0.50
	Loan taken	-	-	40.20	3.55	0.29	-
	Repayment of loan taken	-	-	40.20	-	0.29	-
	Advances made for purchase of goods	-	-	30.61	-	-	-
	Other repayments	-	-	-	-	-	-
	Loans given outstanding as at the year end	-	-	-	7.71	0.16	0.05
	Receivable / (payable) as at the year end	-	30.61	30.61	(7.71)	-	-
Liberson Dealcom Pvt Ltd	Advances made for purchase of goods	-	-	1.00	-	-	-
	Capital advances	-	-	-	1.00	-	-
	Interest income on loan given	0.06					
	Loans given outstanding as at the year end	1.06	1.00	-	-	-	-
	Receivable / (payable) as at the year end	-	-	1.00	1.00	-	-
Safal Properties pvt Ltd	Sale of Goods	-	-	334.48	-	-	-
	Loan taken	-	-	364.52	-	-	-
	Repayment of loan taken	-	-	364.52	-	-	-
	Loan given	-					
	Interest income on loan given	-					
	Investment made	-	-	48.89	-	-	-
	Rent expense	-	72.00	-	-	-	-
	Security deposit given	-	310.00	-	-	-	-
	Loans given outstanding as at the year end	-	-	-	-	-	-
	Receivable / (payable) as at the year end	-	310.00	-	-	-	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Galaxy Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
Samukh Exim Pvt Ltd	Investment made		-	1.01	-	-	-
	Loan given	2.00					
	Interest income on loan given	0.11					
	Loans given outstanding as at the year end	2.11					
Shristi Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
	Sale of Goods	125.35	-	-	-	-	-
	Receivable / (payable) as at the year end	125.35	-	-	-	-	-
Smart Gold Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
	Loan given	2.00					
	Interest income on loan given	0.11					
	Loans given outstanding as at the year end	2.11					
Subarna Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
Safal Jewellers Pvt ltd	Loan given	220.00	-	-	-	-	-
	Interest income on loan given	12.13	-	-	-	-	-
	Loans given outstanding as at the year end	232.13	-	-	-	-	-
Damgain Retail Jewellery Pvt Ltd	Investment made	-	-	11.25	0.33	-	-
Aastha Complex Pvt Ltd	Loan given	-	-	-	0.52	-	-
	Repayment of loan given	-	-	-	0.52	-	-
BSR Caterers Pvt Ltd	Capital advances	-	-	34.00	-	-	-
Doyen Traders & properties Pvt Ltd	Purchase of goods	-	-	-	-	220.27	31.43
	Loan given	-	-	-	-	-	
	Loan taken	-	-	-	-	1,655.00	1,100.89
	Repayment of loan taken	-	-	-	-	1,340.61	924.78
	Job work Income	-	-	-	-	-	19.11
	Share application money	-	-	-	-	-	7.40
	Loans taken outstanding as at the year end	-	-	-	-	497.90	176.11
	Receivable / (payable) as at the y	-	-	-	-	-	31.43
Pitty Fincon Pvt Ltd	Loan given	-	-	-	-	360.70	827.58
	Repayment of loan given	-	-	-	-	133.25	827.58
	Loan taken	-	-	-	-	-	-
	Repayment of loan taken	-	-	-	-	-	-
	Loans given outstanding as at the year end	-	-	-	-	-	-
	Loans taken outstanding as at the year end	-	-	-	-	227.45	-
	Receivable / (payable) as at the y	-	-	-	-	-	-
Gajanand jewellers pvt Ltd	Purchase of goods	-	-	-	-	89.31	-
	Loan given	-	-	-	-	1,384.03	-
	Repayment of loan given	-	-	-	-	1,114.03	-
	Loans given outstanding as at the year end	-	-	-	-	270.01	-
Pancharatan Jewellers pvt Ltd	Loan taken	-	-	-	-	61.00	-
	Repayment of loan taken	-	-	-	-	61.00	-
	Job work Income	-	-	-	-	1.45	-
	Receivable / (payable) as at the year end	-	-	-	-	1.45	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Creative Jewels India Pvt Ltd	Loan taken	-	-	-	-	491.00	-
	Repayment of loan taken	-	-	-	-	485.50	-
	Job work Income	-	-	-	-	0.12	-
	Loans taken outstanding as at the year end	-	-	-	-	5.50	-
	Receivable / (payable) as at the year end	-	-	-	-	0.12	-
Janaki Properties Pvt Ltd	Purchase of goods	-	-	-	-	-	58.78
	Loan given	-	-	-	-	18.02	80.00
	Repayment of loan given	-	-	-	-	31.24	8.00
	Loan taken	-	-	-	-	59.26	
	Loans taken outstanding as at the year end	-	-	-	-	59.26	-
	Rent expense	-	-	-	-	-	0.66
	Loans given outstanding as at the year end	-	-	-	-	-	13.22
Mr. Nilesh Parekh	Loan given	-	-	-	198.86	27.82	-
	Repayment of loan given	-	-	7.24	240.36	21.07	-
	Loan taken	-	-	-	0.03	-	-
	Repayment of loan taken	-	-	-	47.74	-	-
	Interest income on loan given	-	-	-	7.26	-	-
	Loans given outstanding as at the year end	-	-	-	7.24	27.82	21.07
	Remuneration including commission on profit	90.33	151.46	101.75	1.20	0.90	0.60
	Interest on on loan taken	-	-	-	-	-	1.57
	Receivable / (payable) as at the year end	(189.79)	(133.46)	(43.75)	(1.20)	-	-
Mr. Umesh Parekh	Loan given	-	-	-	-	-	-
	Repayment of loan given	-	-	-	-	-	-
	Loan taken	-	20.00	-	40.36	17.50	-
	Repayment of loan taken	-	20.00	-	90.52	15.00	-
	Capital advances	-	-	-	5.50	-	-
	Other repayments	-	-	-	5.50	-	-
	Remuneration including commission on profit	90.33	151.46	101.75	1.20	0.90	0.60
	Interest on on loan given	-	-	-	-	-	1.17
	Loans given outstanding as at the year end	-	-	-	-	11.64	14.14
	Receivable / (payable) as at the year end	(133.79)	(133.46)	(46.18)	(1.20)	-	-
Mrs. Sumona Parekh	Loan taken	-	-	-	-	-	1.73
	Repayment of loan given	-	-	1.11	-	-	-
	Repayment of loan taken	-	-	-	-	5.00	-
	Advances made for purchase of goods	-	-	0.11	-	-	-
	Interest on on loan taken	-	-	-	-	-	0.44
	Loans taken outstanding as at the year end	-	-	-	(1.11)	(1.11)	6.11
	Receivable / (payable) as at the year end	-	-	1.11	-	-	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Mrs. Rani Parekh	Net transaction with MCX division	-	-	-	(0.89)	-	-
	Loan given	-	-	-	12.00	12.30	-
	Repayment of loan given	-	-	0.70	16.30	8.00	-
	Interest income on loan given	-	-	-	0.70	-	-
	Loans given outstanding as at the year end	-	-	-	0.70	4.30	-
	Receivable / (payable) as at the year end	-	-	-	(0.89)	-	-
Mr Karan Parekh	Loan given	-	-	-	22.00	-	-
	Repayment of loan given	-	-	1.48	22.00	-	-
	Interest income on loan given	-	-	-	1.48	-	-
	Loans given outstanding as at the year end	-	-	-	1.48	-	-
Mrs. Kumud Parekh	Net transaction with MCX division	-	-	-	(0.24)	-	-
	Loan given	-	-	-	27.66	-	2.81
	Repayment of loan given	-	-	0.20	27.66	-	-
	Loan taken	-	-	-	13.50	-	-
	Repayment of loan taken	-	-	-	15.29	3.50	-
	Interest income on loan given	-	-	-	0.20	-	-
	Interest on on loan taken	-	-	-	-	-	0.47
	Interest on on loan given outstanding	-	-	-	0.20	-	-
	Loans taken outstanding as at the year end	-	-	-	-	(1.79)	5.29
	Receivable / (payable) as at the year end	-	-	-	(0.24)	-	-
Mr. Nilesh Parekh (HUF)	Loan given	-	-	-	7.40	-	1.01
	Repayment of loan given	-	-	0.34	7.40	-	1.01
	Repayment of loan taken	-	-	-	1.10	-	-
	Interest income on loan given	-	-	-	0.34	-	-
	Net Transaction with MCX division	-	-	-	(0.29)	-	-
	Loans given outstanding as at the year end	-	-	-	0.34	-	-
	Receivable / (payable) as at the year end	-	-	-	(0.29)	-	-
Mr. Umesh Parekh (HUF)	Net Transaction with MCX division	-	-	-	(0.32)	-	-
	Loan given	-	-	-	1.25	-	-
	Repayment of loan given	-	-	1.14	26.55	-	-
	Share application money	-	-	-	-	-	2.00
	Interest income on loan given	-	-	-	1.14	-	-
	Loans given outstanding as at the year end	-	-	-	1.14	-	-
	Receivable / (payable) as at the year end	-	-	-	(0.32)	-	-
Mr. Kamlesh Parekh	Loan given	-	-	-	-	-	2.67
	Loans given outstanding as at the year end	-	-	-	-	-	2.67
Mr. Kamlesh Parekh (HUF)	Net Transaction with MCX division	-	-	-	2.11	-	-
	Repayment of loan given	-	-	0.59	0.40	-	-
	Receivable / (payable) as at the year end	-	-	-	(0.59)	-	-

DIVIDEND POLICY

Under the Companies Act, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders, who have the right to decrease but notto increase the amount of the dividend recommended by the boardof directors. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both.

Our Company does not have a formal dividend policy. The declaration and payment of dividend will be recommended by our Board of Directors and approved by its shareholders, at their discretion, and will depend on a number of factors,including but not limited to its profits, capital requirements and overall financial condition. Since incorporation, we had paid dividend in FY 2008 and FY 2009, the details of which are tabled below:

Particulars	**For the year ended March 31, 2008**	**For the year ended March 31, 2009**
Equity Share Capital		
Rate of Dividend	10%	10%
Dividend Amount (Rs. in lacs)	214.40	242.73
Tax on above dividend (Rs. in lacs)	36.44	41.25
Dividend per share (Rs.)	1.00	1.00

No dividend was paid to our preference share holders in fiscal 2008.

No interim dividend was paid for the six months ended September 30, 2009.

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future.

Dividends are payable within 30 days of approval by our shareholders at our Annual General Meeting. When dividends are declared, all the shareholders whose names appear in the share register as on the “record date” or “book closure date” are entitled to be paid dividend declared by our Company. Any shareholder who ceases to be a shareholder prior to the record date, or who becomes a shareholder after the record date, will not be entitled to the dividend declared by our Board.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report by the Auditors

The Board of Directors
Shree Ganesh Jewellery House Limited
25/A Camac Street, Suit: 413;
Vardaan Market
Kolkata – 700 016
West Bengal, India

1. We have examined the attached financial information of Shree Ganesh Jewellery House Limited (‘SGJHL’ or ‘the Company’), comprising summary statement of profits and losses, as restated, summary statement of assets and liabilities, as restated, and statement of cash flows, as restated and other financial information explained in paragraph 3 (e) below, as approved by the Board of Directors of the Company, prepared in terms of requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 (‘the Act’), the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulation, 2009 (‘SEBI ICDR’) and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 2 February 2010, in connection with the proposed issue of equity shares of the Company in India.

2. The above financial information have been extracted by the management from the financial statements for the financial year ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009. The audit for the financial year ended 31 March 2005 and 31 March 2006 was conducted by previous auditor, Sharad Mohata & Co., Chartered Accountants and reliance has been placed on the financial statements audited by them. Accordingly, our examination of the restated financial information of the Company for the financial years ended i.e. 31 March 2005 and 31 March 2006 are based solely on financial statements audited by them.

3. In accordance with the requirements of Paragraph B of Part II of Schedule II to the Companies Act 1956, SEBI ICDR and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India (‘ICAI’), as amended from time to time, and in terms of our engagement as agreed with you, we further report that:

    a. The summary statement of profit and loss of the Company, as restated, for the financial year ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009 as set out in Annexure I to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to this report. As a result of these adjustments and regroupings, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements for the relevant financial years. For the financial years ended 31 March 2005 and 31 March 2006 reliance has been placed by us on the financial statements audited by Sharad Mohata & Co., Chartered Accountants.

    b. The summary statement of assets and liabilities of the Company, as restated, as at 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 30 September 2009 as set out in Annexure II to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to this report. As a result of these adjustments and regroupings, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements for the relevant financial year /

period. For the financial years ended 31 March 2005 and 31 March 2006 reliance has been placed by us on the financial statements audited by Sharad Mohata & Co., Chartered Accountants.

c. The statement of cash flows of the Company, as restated, for the financial year ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009 as set out in Annexure V to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to this report. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements for the relevant financial years. For the financial years ended 31 March 2005 and 31 March 2006 reliance has been placed by us on the financial statements audited by Sharad Mohata & Co., Chartered Accountants.

d. Based on above and also as per the reliance placed on the financial statements audited by the previous auditors, Sharad Mohata & Co., Chartered Accountants for the financial years ended 31 March 2005 and 31 March 2006, we are of the opinion that the restated financial information, prepared by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:

   i. the impact of correction of accounting policies / changes in accounting policies have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per changed / corrected accounting policy for all the reporting periods;

   ii. material amounts relating to previous years have been adjusted in the restated financial information in the respective financial years to which they relate;

   iii. qualifications in the auditors' report which require any adjustments have been given effect to in the restated financial information in the respective financial years, except for qualifications in the auditors' report which do not require any corrective adjustments in the restated financial information as disclosed in Note 2 of Annexure IV;

   iv. there are no extraordinary items, which need to be disclosed separately in the restated financial information in the respective financial years; and

   v. there are no revaluation reserves which need to be disclosed separately in the restated financial information in the respective financial years.

e. We have also examined the following other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the financial year ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009. In respect of the financial years ended 31 March 2005 and 31 March 2006 these financial information have been included based upon the financial statements audited by previous auditor, Sharad Mohata & Co., Chartered Accountants and relied upon by us:

   i. Statement of dividends declared by the Company, for the financial years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009, as appearing in Annexure VI to this report;

   ii. Statement of secured and unsecured loans, as restated as at 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 30 September 2009 and details of terms and conditions, including interest rates, principal terms of security and repayment terms of the loans outstanding as at 30 September 2009, as appearing in Annexure VII to this report;

iii. Statement of other income (for years where it exceeds 20 % of net profit before tax), as restated for the financial years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009 as appearing in Annexure VIII to this report;

iv. Statement of accounting ratios, for the financial years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009, as appearing in Annexure IX to this report;

v. Capitalisation statement, as restated as at 30 September 2009, as appearing in Annexure X to this report;

vi. Statement of tax shelters, as restated for the financial years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009, as appearing in Annexure XI to this report;

vii. The "Break up of ageing schedule of sundry debtors" and "Break up of loans and advances", as restated (separately showing loans/advances to promoters/promoter group/group companies) as at 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 30 September 2009, as appearing in Annexure XII and Annexure XIII respectively, to this report;

viii. Statement of aggregate book value and market value of investments, wherever applicable as restated as at 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 30 September 2009, as appearing in Annexure XIV to this report;

ix. Statement of related party disclosures for the financial years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009 as per Accounting Standard 18 on Related Parties prescribed by Companies (Accounting Standards) Rules, 2006, as appearing in Annexure XV to this report; and

x. Statement of segment reporting, as restated for the financial years ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009 as per Accounting Standard 17 on Segment Reporting prescribed by Companies (Accounting Standards) Rules, 2006, as appearing in Annexure XVI to this report.

xi. In our opinion, the above financial information of the Company read with significant accounting policies appearing in Annexure III to this report, after making adjustments and regroupings as considered appropriate and as set out in Annexure IV to this report, has been prepared in accordance with Paragraph B, Part II of Schedule II to the Companies Act , 1956, SEBI ICDR and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India ('ICAI'), as amended from time to time, and in terms of our engagement as agreed with you.

xii. Our report is intended solely for the use of management and for inclusion in India in the Offer Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

For **B S R & Associates**
CharteredAccountants

	Vikram Advani
Place : Gurgaon	*Partner*
Date : 19 February 2010	Membership No: 091765

Annexure I

Summary statement of profit and loss, as restated

(Amounts Rupees in Lakhs)

Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Income						
Sales						
- Of products manufactured by the Company	126,490.59	214,332.69	126,160.82	74,624.18	12,545.48	5,612.22
- Of products traded by the Company	3,523.65	517.43	1,219.84	7,779.57	-	-
Total	**130,014.24**	**214,850.12**	**127,380.66**	**82,403.75**	**12,545.48**	**5,612.22**
Service income	57.04	149.00	48.73	45.12	25.43	20.92
Other income	2,508.87	6,820.83	873.25	275.94	143.68	4.73
Total (A)	**132,580.15**	**221,819.95**	**128,302.64**	**82,724.81**	**12,714.59**	**5,637.87**
Expenditure						
Raw materials consumed	116,101.87	199,428.65	117,239.27	70,307.32	11,272.61	5,377.61
Purchases of traded goods	3,703.95	514.91	1,412.79	7,299.87	-	-
(Increase) / Decrease in inventories	(943.88)	(909.41)	(3,630.61)	(1,783.40)	(54.88)	(96.60)
Staff costs	520.82	1,114.62	871.34	167.54	27.55	21.60
Other manufacturing expenses	87.64	121.20	303.26	203.80	187.32	117.06
Administration expenses	1,143.31	1,075.36	816.46	250.93	35.39	57.04
Selling and distribution expenses	115.08	322.88	352.91	16.48	15.04	7.07
Total (B)	**120,728.79**	**201,668.21**	**117,365.42**	**76,462.54**	**11,483.03**	**5,483.78**
Profit before interest, depreciation, tax and adjustments (C) =(A) – (B)	**11,851.36**	**20,151.74**	**10,937.22**	**6,262.27**	**1,231.56**	**154.09**
Interest and finance charges	3,618.07	6,623.59	1,944.50	885.76	97.96	90.67
Depreciation / Amortisation	100.20	183.78	157.31	134.20	6.33	5.95
Total (D)	**3,718.27**	**6,807.37**	**2,101.81**	**1,019.96**	**104.29**	**96.62**
Profit before tax and adjustments (E) =(C) – (D)	**8,133.09**	**13,344.37**	**8,835.41**	**5,242.31**	**1,127.27**	**57.47**
Provision for tax						
- Current tax (F)	170.00	100.00	220.11	193.20	6.50	4.00
- Deferred tax charge/(release) (G)	(32.81)	(9.95)	(116.11)	(41.13)	(0.23)	0.50
- Wealth Tax (H)	-	0.75	0.21	0.33	-	-
- Fringe Benefit Tax (I)	-	8.50	13.51	5.86	2.01	-
Profit after tax and before adjustments as per audited accounts (J) = (E) -(F) - (G) -(H)- (I)	**7,995.90**	**13,245.07**	**8,717.69**	**5,084.05**	**1,118.99**	**52.97**
Adjustments (Refer Note 1 of Annexure IV) (K)	-	-	373.58	(356.18)	(4.56)	1.19
Current tax impact of adjustments (Refer Note 1 of Annexure IV) (L)	-	-	-	(2.28)	(1.46)	7.91

Summary statement of profit and loss, as restated (continued)

(Amount Rupees in Lakhs)

Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Deferred tax impact of adjustments (Refer Note 1 of Annexure IV) **(M)**	-	-	125.75	(123.08)	(0.62)	(0.80)
[charge/(release)]						
Total of adjustments after tax impact (N) = (K)-(L) -(M)	**-**	**-**	**247.83**	**(230.82)**	**(2.48)**	**(5.92)**
Net Profit as restated (J) + (N)	**7,995.90**	**13,245.07**	**8,965.52**	**4,853.23**	**1,116.51**	**47.05**
Profit/(Loss) brought forward from previous year	27,561.81	14,600.72	5,886.04	1,167.90	51.39	4.34
Acquired on Amalgamation		-	-	915.94	-	-
Profit balance available for appropriation	**35,557.71**	**27,845.79**	**14,851.56**	**6,937.07**	**1,167.90**	**51.39**
Appropriations						
Issue of Bonus Share		-	-	1,051.03	-	-
Dividend	-	242.73	214.40	-	-	-
Dividend tax	-	41.25	36.44	-	-	-
Balance carried forward to Balance Sheet	**35,557.71**	**27,561.81**	**14,600.72**	**5,886.04**	**1,167.90**	**51.39**

Note: To be read together with significant accounting policies (Annexure III) and Notes to summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated (Annexure IV).

The reconciliation between the audited and the restated accumulated profit and loss balance as at 1 April 2004 is given in Note 3 of Annexure IV.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure II

Summary statement of assets and liabilities, as restated

(Amounts Rupees in Lakhs)

	Particulars	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
A.	**Fixed Assets**						
	(i) Gross Block	1,536.02	1,399.46	1,086.71	950.28	59.66	54.74
	Less : Accumulated depreciation	380.45	309.75	186.41	91.24	19.46	11.28
	Net Block	1,155.57	1,089.71	900.30	859.04	40.20	43.46
	(ii) Capital Work In Progress / advances	556.85	186.10	271.33	4.05	5.46	5.76
	Net block	1,712.42	1,275.81	1,171.63	863.09	45.66	49.22
B.	**Intangible assets**						
	(net of amortisation)	**86.36**	**115.14**	**172.72**	**230.29**	**-**	**-**
C.	**Investments**	**544.07**	**555.65**	**555.65**	**6.72**	**-**	**-**
D.	**Deferred Tax Assets (net)**	**265.49**	**165.11**	**155.16**	**164.80**	**1.56**	**0.70**
E.	**Current assets, loans and advances**						
	(i) Inventories	11,670.88	7,390.53	6,949.80	3,489.64	670.59	403.13
	(ii) Sundry Debtors	30,174.62	17,535.84	14,083.95	10,957.16	1,730.78	587.04
	(iii) Cash & Bank Balances*	62,889.47	54,323.69	25,592.18	3,840.14	254.80	90.15
	(iv) Loans and advances	5,221.15	6,861.11	1,648.00	596.67	991.95	40.82
	(v) Other current asset	695.20	142.58	17.47	68.90	-	13.70
		110,651.32	**86,253.75**	**48,291.40**	**18,952.51**	**3,648.12**	**1,134.84**
F.	**Liabilities & Provisions**						
	(i) Secured Loans	37,652.32	34,502.79	10,821.78	624.35	521.96	350.74
	(ii) Unsecured Loans	-	564.31	1,353.22	511.70	603.49	141.92
	(iii) Current Liabilities & Provisions	27,541.53	13,530.54	11,364.83	8,750.10	1,197.00	529.67
		65,193.85	**48,597.64**	**23,539.83**	**9,886.15**	**2,322.45**	**1,022.33**
	Net Worth (A+B+C+D+E-F)	**48,065.81**	**39,767.82**	**26,806.73**	**10,331.26**	**1,372.89**	**162.43**

Summary statement of assets and liabilities, as restated (Contd.)

(Amounts Rupees in Lakhs)

Particulars	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
G. Represented by:- Share Capital						
- Equity Share Capital	4,854.60	2,143.97	2,143.97	1,256.02	78.50	44.35
- Preference Share Capital	-	8,000.00	8,000.00	-	-	-
- Share application pending allotment	-	-	-	887.95	-	2.00
	4,854.60	**10,143.97**	**10,143.97**	**2,143.97**	**78.50**	**46.35**
Reserves and Surplus						
- Securities premium account	7,208.44##	1,684.54	1,684.54#	1,923.75	126.49	64.69
- Amalgamation reserve	325.59	325.59	325.59	325.59	-	-
- General reserve	119.47	51.91	51.91	51.91	-	-
- Profit and loss account	35,557.71	27,561.81	14,600.72	5,886.04	1,167.90	51.39
	43,211.21	29,623.85	16,662.76	8,187.29	1,294.39	116.08
Net worth	**48,065.81**	**39,767.82**	**26,806.73**	**10,331.26**	**1,372.89**	**162.43**
* includes margin money deposit on account of security deposit against borrowings which are not readily available for other purposes.	59,857.02	52,032.40	23,276.02	764.51	-	-

Refer point No. 3(a), (b) and (c) of Note 4 of Annexure IV for adjustments against securities premium.

 # Refer point No. 5(a) of Note 4 of Annexure IV for share issue expenses utilised against securities premium.

Note: To be read together with significant accounting policies (Annexure III) and Notes to summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated (Annexure IV).

The reconciliation between the audited and the restated accumulated profit and loss balance as at 1 April 2004 is given in Note 3 of Annexure IV.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure III

Significant accounting policies for the six months period ended 30 September 2009

a. *Basis of accounting*

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

b. *Use of estimates*

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

c. *Fixed Assets*

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

d. *Borrowing Cost*

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

e. *Depreciation / Amortisation*

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

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

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

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

f. *Impairment of fixed assets*

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

g. Investments

Long term investments are stated at cost less amount written off, where there is a diminution in value other than temporary.

h. Inventories

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

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

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

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

i. Revenue recognition

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

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

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

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

Interest is recognised on time proportion basis.

j. Employee benefits

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

<u>Short Term Benefits</u>

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

Post employment benefits

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

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

Other Long term benefits

Cost of long term benefit by way of accumulating compensated absences that are expected to be availed after a period of 12 months from the year/period - end are recognised when the employees render the service that increases their entitlement to future compensated absences. The Company determines the liability for such accumulated leaves on the basis of actuarial valuation using the projected unit credit method as at the year/period end. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

k. Operating Leases

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

l. Foreign exchange transactions

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

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

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

m. Taxation

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

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

The Company's units, located in Special Economic Zone are exempted from income tax (current tax) till 31 March 2011 under the provisions of sections 10A and till 31 March 2018 under the provisions of section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Deferred tax assets on unabsorbed depreciation and / or carry forward of losses are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess reliability thereof.

n. Provisions and contingent liabilities

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

o. Earnings Per Share

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

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure IV

Notes to summary statement of profit and loss, as restated (Annexure I) and summary statement of assets and liabilities, as restated (Annexure II)

1. **Below mentioned is the summary of results of adjustments / rectifications made in the audited accounts of the respective years and its impact on profits and losses and assets and liabilities.**

(Amounts Rupees in Lakhs)

	Adjustments [(income)/expense] in Statement of profit and loss arising out of:	Six months period ended 30 September 2009	Year ended 31 March 2009	Year ended 31 March 2008	Year ended 31 March 2007	Year ended 31 March 2006	Year ended 31 March 2005
A.	**Changes in accounting policies/ correction of accounting policies (refer Note A) #**						
	(a) Accounting for restatement of foreign currency balances (refer Annexure IV Note A (1)).	-	-	-	9.46	(2.22)	7.91
	(b) Accounting for miscellaneous expenditure (refer Annexure IV Note A (2)).	-	-	-	0.83	0.12	0.12
	(c) Accounting for gold procured on provisional basis at the year end (refer Annexure IV Note A (3))	-	-	-	(3.45)	1.80	(13.86)
	(d) Accounting for gold sold on provisional basis (refer Annexure IV Note A (3)).	-	-	-	-	1.22	6.55
	(e) Adjustment for closing stock valuation for gold procured on loan basis (refer Annexure IV Note A (3))	-	-	-	3.45	(3.13)	2.77
	(f) Accounting for gratuity expenses as per AS-15 - Employee Benefits (refer Annexure IV Note A (4))	-	-	-	2.67	(0.50)	(0.56)
		-	-	-	12.96	(2.71)	2.93
	Effect of adjustments in A on tax ##						
	(a) Provision for current tax	-	-	-	2.28	1.46	(7.91)
	(b) Deferred tax charge/ (release)	-	-	-	(1.18)	-	0.17
		-	-	-	1.10	1.46	(7.74)
B.	**Audit Qualifications (refer Note B) #**						
	(a) Debtors provisioning (refer Annexure IV Note B).	-	-	373.58	(373.58)	-	-
	Effect of adjustments in B on tax ##						
	(a) Deferred tax (charge)/ release	-	-	(125.75)	125.75	-	-
C.	**Prior period items (refer Note C) ##**						
	(a) Depreciation (refer Annexure IV Note C)	-	-	-	4.44	(1.85)	(1.74)
	Effect of adjustments in C on tax ##						
	(a) Provision for deferred tax	-	-	-	(1.49)	0.62	0.63
	Total of adjustments after tax impact	**-**	**-**	**247.83**	**(230.82)**	**(2.48)**	**(5.92)**
D.	**Regroupings (refer Note D) ###**						
	(a) Sales	-	-	(168.24)	-	(22.87)	12.44
	(b) Other income	-	-	168.24	-	27.51	4.73
	(c) Material and manufacturing expenses	-	-	-	-	(21.73)	(24.56)
	(c) Raw material consumed	-	-	(19.10)	(20.43)	(58.96)	(294.56)
	(d) (Increase) / Decrease in inventories	-	-	-	-	52.80	294.56
	(e) Staff costs	-	-	-	-	27.55	21.60
	(f) Selling and distribution expenses	-	-	-	-	(13.07)	0.18
	(g) Administrative Expenses	-	-	(224.37)	(181.07)	(79.91)	(70.71)
	(h) Interest and finance charges	-	-	243.47	201.50	97.96	90.67

 # Figures in brackets represent decrease in the profits.
Figures in brackets represent charge to the Profit and Loss Account.
Figures in brackets represent amounts being regrouped from the particular line item.

(Amounts Rupees in Lakhs)

	Cumulative effect of above [increase / (decrease)] in Statement of assets and liabilities:	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
A	**Changes in accounting policies/ correction of accounting policies (refer Note A)**						
	(a) Profit and loss account	0.65	0.65	0.65	(247.18)	(11.91)	(11.29)
	(b) General reserve	(0.98)	(0.98)	(0.98)	-	-	-
	(c) Provision	0.33	0.33	0.33	(1.15)	3.79	4.76
	(d) Current liabilities(refer Annexure IV note A(5)	-	-	-	(11,961.60)	(6.11)	(2.16)
	(e) Accumulated depreciation	-	-	-	-	-	-
	(f) Secured Loan	-	-	-	-	(1,586.60)	(891.63)
	(g) Miscellaneous expenditure to the extent not written off (refer Note)	-	-	-	-	(0.83)	(0.94)
	(h) Inventories	-	-	-	-	(3.45)	(0.31)
	(i) Sundry debtors(refer Annexure IV note A(5)	-	-	-	(11,961.60)	(1,598.72)	(900.62)
	(j) Deferred tax asset	-	-	-	-	2.17	1.55
B	**Audit Qualification (refer Note B)**						
	(a) Sundry Debtors	-	-	-	(373.58)	-	-
	(b) Deferred tax asset	-	-	-	125.25	-	-
C	**Prior period items (refer Note C)**						
	(a) Reserves and surplus	-	-	-	-	(4.44)	(2.59)
	(b) Accumulated depreciation	-	-	-	-	4.44	2.59
D	**Regroupings (refer Note D)**						
	(a) Capital work-in-progress	-	-	-	-	5.46	5.76
	(b) Debtors	-	-	-	-	(141.08)	-
	(c) Cash and bank balances	-	-	-	-	88.25	87.67
	(d) Loans and advances	-	(142.58)	38.93	(68.90)	(69.48)	(115.29)
	(e) Other current asset	-	142.58	17.47	68.90	-	13.70
	(f) Share capital pending allotment	-	-	-	-	-	9.43
	(g) Secured Loan	-	-	1,320.16	147.99	124.22	53.69
	(h) Unsecured loan	-	-	(841.25)	374.59	561.91	-
	(i) Current Liabilities	-	-	(343.66)	(522.58)	(792.15)	(63.12)
	(j) Provisions	-	-	(78.85)	-	(10.83)	(8.16)

Note: Figures in brackets represent amount being regrouped from the particular line item.

Notes:

A. Changes in accounting policies / correction of incorrect accounting policies

a. Foreign currency transactions

For the years ended 31 March 2007 onwards , the Company had in accordance with Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" as prescribed by the Companies (Accounting Standard) Rules, 2006, restated monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date at the rates of exchange prevailing on that date. Upto 31 March 2006, no such restatements were recorded in the audited financial statements. Accordingly, adjustments on account of the above restatements have been made in the summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated for the years ended 31 March 2005 and 31 March 2006 with consequential impact on the year ended 31 March 2007. Corresponding adjustments have also been made to opening reserves as on 1 April 2004.

b. Miscellaneous expenditure to the extent not written off

With effect from 1 April 2007, the Company adopted the accounting policy of writing off preliminary expenses comprising Registrar of Companies (ROC) fees, stamp duty charges, etc., in the year in which they were incurred. Accordingly, such expenses were written off in the accounts. Upto the year ended 31 March 2006, such expenses were being amortised and the unamortised balance was carried forward under the head 'Preliminary and Pre-operative expenses to the extent not written off or adjusted'. However, for the purposes of summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated, such expenses have been written off in the years in which they were incurred with consequential impact on the years ended 31 March 2005, 31March 2006 and 31 March 2007. The unamortized balance under the head "Miscellaneous expenditure" as at 1 April 2004 has been adjusted from the opening reserves as on 1 April 2004.

c. Revenue recognition

In certain cases, the Company sells gold at a provisional rate (unfixed basis) if requested by the customer. In such cases the Company also procures gold from vendors on provisional rates. With effect from 1 April 2007, the Company made adjustments to the provisional amounts billed to the customer and the corresponding purchases based on the year end closing gold rates. Accordingly, adjustments have been made in the summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated for the years ended 31 March 2005 and 31 March 2006 with consequential impact on the year ended 31 March 2007. The impact of these adjustments has been reflected in sales, purchases, inventories and increase/ (decrease) in inventories. Corresponding adjustments have also been made to opening reserves as on 1 April 2004.

d. Provision for gratuity and leave encashment

The Company has adopted Accounting Standard 15 "Employee Benefits" (AS 15) prescribed by Companies (Accounting Standards) Rules, 2006, for computing provision for gratuity and provision for leave encashment for the year ended 31 March 2008. Accordingly, provision for gratuity and provision for leave encashment has been recomputed on the basis of AS 15 for each preceding year and consequently the adjustments have been made in the summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated for the years ended 31 March 2005, 31 March 2006 and 31 March 2007. Further, for the purposes of summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated for the year ended 31 March 2005, an adjustment has been made in the opening reserves as at 1 April 2004 in accordance with the transitional provisions of AS 15.

e. Set off of Acceptances and Sundry Debtors for disclosure purpose

Upto 31 March 2007, the Company followed the practice of disclosing the gross amount of sundry debtors and the amount of monies received from the banks against bills on the liabilities with respect to bills discounted. Thereafter, the Company adopted the practice of disclosing bills discounted as contingent liabilities. In the summary statement of assets and liabilities, as restated for the years ended 31 March 2005, 31 March 2006, 31 March 2007, sundry debtors and current liabilities and provisions have accordingly been netted off to the extent the same represents bills discounted. These have now been disclosed as contingent liabilities.

B. Audit qualification

Provision for bad and doubtful debts

The statutory auditors had qualified their opinion on the financial statements for the year ended 31 March 2007 as follows

- ‘No provision has been recognized in these financial statements in respect of debts aggregating Rs. 37,358,191 outstanding for more than two years from a customer that has been referred to the Board for Industrial and Financial
- Reconstruction (BIFR). Pending completion of the proceedings undertaken by the BIFR in this regard, we are unable to form an opinion regarding the extent of recoverability of the aforesaid amount and the consequent impact, if any, on the profit before tax for the year.’

Accordingly, adjustments have been made in the summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated for the year ended 31 March 2007 with consequential impact on the year ended 31 March 2008 so as to adjust the above qualification.

C. Prior period items

In the financial statements for the year ended 31 March 2007, depreciation expense pertaining to the years ended 31 March 2006 and earlier, has been disclosed as a prior period item. For the purposes of summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated, such prior period item has been appropriately adjusted in the years ended 31 March 2006, 31 March 2005 and the opening reserve as on 1 April 2004.

D. Regroupings

Figures have been regrouped to ensure consistency of presentation. The following significant regroupings have been made in the summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated:

a. Upto the year ended 31 March 2006, sales included exchange gain/loss pertaining to sales. During the years ended 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009, exchange gains have been included under ‘Other Income’ and Exchange losses have been included under ‘Administration expenses’. The exchange losses and gains in the years ending 31 March 2005 and 31 March 2006 have been accordingly regrouped under ‘Other Income’ and Administration expenses respectively in the summary statement of profits and losses, as restated for the years ended 31 March 2005 and 31 March 2006.

b. Upto the year ended 31 March 2006, interest income was netted off against the interest expenses. During the years ended 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009, interest income has been included under 'Other Income'. The interest income in the years ending 31 March 2005 and 31 March 2006 have been accordingly regrouped under 'Other Income' in the summary statement of profits and loss, as restated for the years ended 31 March 2005 and 31 March 2006.

c. In the year ended 31 March 2005, closing stock of semi finished inventory had earlier been erroneously classified as closing stock of raw materials. This has currently been reclassified as closing stock of semi finished inventory with a consequential impact on the (Increase) / Decrease in inventory.

d. For the years ended 31 March 2005 and 31 March 2006, staff costs and managerial remuneration were included under 'Materials and Manufacturing expenses and Administration expenses. These have been disclosed as personnel costs for the years ended 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009. In the summary statement of profits and loss, as restated for the year ended 31 March 2005 and 31 March 2006, such expenses have been regrouped and disclosed accordingly under staff costs.

e. For the years ended 31 March 2005 and 31 March 2006, interest expenses were included under administration expenses. These have been disclosed as interest and finance charges for the years ended 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009. In the summary statement of profits and loss, as restated for the year ended 31 March 2005 and 31 March 2006, such expenses have been regrouped and disclosed accordingly under Interest and finance charges. Similarly interest on purchase charges had been included under 'Raw Material Consumed'. In the summary statement of profits and loss, as restated for the year ended 31 March 2007 and 31 March 2008, such expenses have been regrouped and disclosed accordingly under Interest and finance charges.

f. For the years ended 31 March 2005, 31 March 2006, 31 March 2007 and 31 March 2008, certain interest charges pertaining to gold procured on loan had been included under 'cost of raw materials and stones' such charges have been regrouped under interest and finance charges in the year ended 31 March 2009 and six months period ended 30 September 2009. In the summary statement of profits and loss, as restated for the years ended 31 March 2005, 31 March 2006, 31 March 2007 and 31 March 2008 such expenses have been regrouped and disclosed accordingly under Interest and bank charges.

g. Commission received on sales has been separately included under 'Other Income' for the year ended 31 March 2009 and six months period ended 30 September 2009. Upto 31 March 2008 such commission was included in total sales. In the summary statement of profits and loss, as restated for the years ended 31 March 2005, 31 March 2006, 31 March 2007 and 31 March 2008 such income have been regrouped and disclosed accordingly under 'Other Income'.

h. Upto 31 March 2006, capital advances were classified as loans and advances. These have been included under fixed assets from 31 March 2007 and thereafter. Accordingly capital advances have been regrouped to fixed assets in the summary statement of assets and liabilities, as restated for the years ended 31 March 2005 and 31 March 2006.

i. Certain fixed deposits had been classified as loans and advances for the years ended 31 March 2005 and 31 March 2006. These have been included under 'Cash and Bank Balances for the years/period ended 31 March 2007 onwards. Accordingly fixed deposits have been regrouped to Cash and Bank balances in the summary statement of assets and liabilities, as restated for the years ended 31 March 2005 and 31 March 2006.

j. Upto the year ended 31 March 2005 and 31 March 2006, provision for taxation and advance tax were shown separately under provisions and loans and advances respectively. During the years ended 31 March 2007, 31 March 2008, 31 March 2009 and six months period ended 30 September 2009, the same have been netted off. In the summary statement of assets and liabilities, as restated for the years ended 31 March 2005 and 31 March 2006, advance tax has been netted off from provision for taxation and the net has been disclosed under provisions.

k. Interest accrued but not due on fixed deposit has been regrouped from "Loans and Advances" to "Other current asset" for the year ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008 and 31 March 2009.

l. Share application money received for which subsequently the shares have been issued regrouped from current liabilities and provisions to share capital pending allotment.

m. Amounts due on account of gold purchased on loan were disclosed as current liabilities upto 31 March 2008. These have considered as secured loans as at 31 March 2009 and 30 September 2009. Accordingly amounts due on account of gold purchased on loan have been accordingly regrouped for the years ended 31 March 2005, 31 March 2006, 31 March 2007 and 31 March 2008 in the summary statement of assets and liabilities as restated for the respective years.

E. Taxation

Provision for taxation (income tax and deferred tax) for the respective years/period has been recomputed on the above adjusted profits on the basis of the rates applicable to the respective years.

2. Other audit qualifications, which do not require any corrective adjustment in the financial information, are as follows:

a. Financial year ended 31 March 2009

- There were few delays in a certain cases in depositing undisputed statutory dues.

- Following Sales Tax and Income Tax dues have not been deposited with the appropriate authorities on account of dispute:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act.	Claim of export sales rejected by Assessing Authority	1.08	2003-2004	Assistant Commissioner (Appeals), Kolkata
Income tax Act, 1961	Various matters arising on Income tax proceedings	167.66	2004-2005 / 2005-2006	CIT (Appeals) / Assessing Officer

- The Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

b. Financial year ended 31 March 2008

- Internal control procedures with respect to the purchase of inventories need to be further strengthened in order to make them commensurate with the size of the Company and the nature of its business.

- Amounts deducted/accrued in respect of Employee State Insurance, Provident fund, Income-tax and Professional tax have not been regularly deposited with the appropriate authorities and there have been delays in a number of cases.

- Professional tax dues in arrears as at 31 March 2008 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
West Bengal Professional Tax Act	Professional tax	0.09	2007-08	21st of the subsequent month after accrual	15 April 2008

- Following Sales Tax and Income Tax dues have not been deposited with the appropriate authorities on account of dispute:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act	Claim of export sales rejected by Assessing Authority	40.54	2003-2004	Assistant Commissioner (Appeals), Kolkata
Indian Income tax Act, 1961	Disallowance of expenses	10.19	2004-05	Rectification petition u/s 154 pending before the Income tax officer.

- The Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

c. Financial year ended 31 March 2007

- Internal control procedures with respect to the purchase of inventories need to be strengthened in order to make them commensurate with the size of the Company and the nature of its business.

- The Company’s internal audit system needs to be improved to make it commensurate with the size and nature of its business.

- Amounts accrued in the books of account in respect of Employees’ State Insurance dues are yet to be deposited by the Company with appropriate authorities. Amounts deducted/accrued in the books of account in respect of Income-tax dues have not been regularly deposited with the appropriate authorities and there have been considerable delays in a large number of cases.

- Income tax and Employees' State Insurance dues in arrears as at 31 March 2007 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Due Date
Employees State Insurance Act ,1948	Employee State Insurance Contribution	0.46	2006-07	21st of the subsequent month after accrual
Income Tax Act, 1961	Advance Income Tax	22.36	2006-07	15th June 2006
Income Tax Act, 1961	Advance Income Tax	67.07	2006-07	15th Sep 2006

- Following Sales Tax dues have not been deposited with the appropriate authorities on account of dispute:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act	Claim of export sales rejected by Assessing Authority	40.54	2003-2004	Assistant Commissioner (Appeals), Kolkata

d. Financial year ended 31 March 2006

The Company is in process of completing the records showing full particulars including quantitative details and situation of fixed assets.

e. Financial year ended 31 March 2005

The Company is in process of completing the records showing full particulars including quantitative details and situation of fixed assets.

** Report under Companies (Auditor's Report) Order 2003 was not issued for the six months period ended 30 September 2009.*

3. Reconciliation between the audited and the restated accumulated profit and loss balance as at 1 April 2004, is given below:

Profit and Loss Account as at 1 April 2004	
	(Rs in Lakhs)
Particulars	**Amount**
Profit and Loss Account as at 1 April 2004 (Audited)	12.30
Accounting for restatement of foreign currency balances (refer point no. A(1) of note 1 of Annexure IV)	(15.14)
Preliminary expenses (refer point no. A(2) of note 1of Annexure IV)	(1.06)
Depreciation (arrear) (refer point no. C of note 1 of Annexure IV)	(0.86)
Gratuity (refer point no. A(4) of note 1of Annexure IV)	(0.13)
Accounting for gold sold on provisional basis (refer point no. A (3) of note 1 of Annexure IV)	(7.78)
Accounting for gold procured on provisional basis (refer point no. A(3) of note 1 of Annexure IV)	15.49
Closing stock valuation for gold procured on loan basis. (refer point no. A(3) of note 1 of Annexure IV)	(3.08)
Provision for taxation (refer point no. E of note 1 of Annexure IV)	3.85
Deferred taxation (refer point no. E of note 1 of Annexure IV)	0.75
Profit and Loss Account as at 1 April 2004 (Restated)	**4.34**

4. Other Significant notes (based on audited financial statements) and changes in the business of the Company during the last five financial years

Shree Ganesh Jewellery House Limited ('the Company') formerly Shree Ganesh Jewellery House Private Limited, was incorporated in 2002. The Company is engaged in the business of manufacture and sale of handcrafted gold jewellery, diamond and studded jewellery. The name of the Company changed to Shree Ganesh Jewellery House Limited on conversion to public limited company with effect from 14 August 2007.

a. Contingent Liabilities

(Amount Rupees in Lakhs)

Particulars	**As at 30 Sep 2009**	**As at 31 March 2009**	**As at 31 March 2008**	**As at 31 March 2007**	**As at 31 March 2006**	**As at 31 March 2005**
Corporate Guarantees	6,500.00	6,000.00	6,000.00	3,000.00	251.50	256.50
Bills Discounted	67,628.31	54,146.31	26,977.34	11,961.60	1,608.24	882.40
Claims against the Company in respect of Income Tax / Sales Tax matters not acknowledged as debts	23.65	169.26	-	-	-	-
	74,151.96	**60,315.57**	**32,977.34**	**14,961.60**	**1,859.74**	**1,138.90**

b. Deferred tax asset / (liability), net included in the restated Balance Sheet comprise of:

(Amount Rupees in Lakhs)

	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
Deferred tax assets						
Excess of written down value of assets as per Income Tax Act, 1961 and net book value of such assets (to the extent reversing after the period during which the Company is eligible for exemption under sections 10A and 10AA of the Income-tax Act, 1961).	39.77	20.48	15.24	32.62	0.86	0.10
Provision for doubtful debts	139.00	132.02	132.25	130.79	-	-
Provision for diminution of investments	3.94	-	-	-	-	-
Other timing differences	15.21	12.61	7.67	1.39	0.70	0.60
Share issue expenses	67.57	-	-	-	-	-
Total deferred tax assets (net)	**265.49**	**165.11**	**155.16**	**164.80**	**1.56**	**0.70**

c. Six months period ended 30 September 2009

i. Pursuant to the approval of the shareholders as on 7 March 2008 and a Shareholders Agreement ('Agreement') dated 12 March 2008, the Company had issued 2,666,667, 0.0001% Cumulative Convertible Preference shares having a value of Rs. 300 each to an investor in accordance with the terms set out in the Agreement. As per the terms of the Agreement, the Company has converted the Preference Share into Equity Shares on 28 August 2009, in accordance with the procedure stated in the Agreement. 2,666,666 numbers of Preference Shares have been converted to Equity Shares at a premium of Rs. 290 per share.

ii. Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007, the Company has issued 5,00,000, 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each debenture allotted to the debentureholder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. The Company has converted these debentures into 166,667 equity shares on 11 August 2009 at a premium of Rs 290 per share.

iii. The Securities Premium account has been utilized for the issue of 24,272,994 bonus shares of Rs 10 each. Further, expenses relating to the proposed issue of equity shares have been adjusted with the securities premium account.

iv. Provision for taxation has been made with reference to the profit for the period ended 30 September 2009 in accordance with the provisions of the Income Tax Act, 1961. The ultimate tax liability for the assessment year 2010-11 shall be determined on the basis of the total income for the year ended 31 March 2010.

d. Year ended 31 March 2009

i. During the year the Income Tax Department had undertaken a search, under Section 132 of the Income Tax Act, 1961, at various premises of the Company and the residential premises of the Directors on 26 March 2009. The books of accounts and certain documents of the Company were seized by the Income Tax authorities and were subsequently returned. Further, Bank balances aggregating Rs. 20.12 lakhs remained prohibited from operations by such authorities as on balance sheet date such prohibitory order has since been revoked. Mr. Nilesh Parekh was summoned by the Assistant Director of Income Tax in this regard. There has been no further action initiated by the Income Tax Authorities.

ii. Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007 the Company has issued 5,00,000, 0% Fully Convertible Debentures of Rs. 100 each at par. As per the terms of the Agreement, each debenture allotted to the debenture holder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. These are pending conversion as at 31 March 2009.

e. Year ended 31 March 2008

i. During the year, pursuant to the approval of the shareholders as on 7th March 2008 and a Shareholders Agreement (‘Agreement’) dated 12 March 2008, the Company has issued 2,666,667, 0.0001% Cumulative Convertible Preference shares having a par value of Rs. 300 each to an investor in accordance with the terms set out in the Agreement. As per the terms, the Company will convert the Preference Share into Equity Shares within 36 months from the date of agreement, in accordance with the procedure stated in the agreement. One such Preference Share has been converted to an Equity Share as on 28th March 2008 at a premium of Rs. 290. Expenses relating to issue of such preference shares have been adjusted with securities premium.

ii. During the year, pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007 the Company has issued 5,00,000, 0% Fully Convertible Debentures of Rs. 100 each at par. As per the terms of the Agreement, each Debenture allotted to the debenture holder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatory converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008.

f. Year ended 31 March 2007

i. During the year, the Board of Directors of the Company had, in their meeting held on 8 December 2006 approved the scheme of amalgamation (‘the Scheme’) of Doyen Traders and Properties Private Limited, Shree Gajanand Jewellers (P) Limited, Pitty Fincon Services Private Limited, Pancharatan Jewellers Private Limited, Janki Properties Private Limited and Creative Jewels (India) Private Limited (‘the transferor company/companies) with the Company with effect from 1 April 2006. The Scheme has been approved by the Hon’ble High Court at Kolkata (‘the Court’) vide order dated 1 March 2007. The Court had vide its earlier order dated 22 December 2006, dispensed off the requirement to hold meeting of shareholders of the Company for according their approval to the Scheme on submission of letters from individual shareholders expressing their consent thereto.

All the transferor companies were engaged in the business of manufacture and sale of gold jewellery and other related articles.

A. Amalgamation of Doyen Traders and Properties Private Limited (DTPL), Shree Gajanand Jewellers (P) Limited (SGPL), and Janki Properties Private Limited (JPPL) with the Company.

- In accordance with the Scheme:

  – Land and buildings of DTPL, SGJL and JPPL have been transferred to the Company at fair values as certified by an approved valuer.

  – Other assets and liabilities of the transferor companies mentioned in (A) (I) (i) above have been transferred to the company at their book values at the close of business on 31 March 2006.

  – Reserves and surplus as at 31 March, 2006 in the books of the transferor companies mentioned in (A) (I) (i) above, continue to appear in the same manner and under the same classification in the books of the Company.

  – Rights and obligations arising from corporate loans and balances between the companies mentioned in (A) (I) (i) above (including the Company) have been set off for the purpose of accounting for the amalgamation.

- The amalgamation of the transferor companies mentioned in (A) (I) (i) above with the Company has been accounted for in the books of the Company as an amalgamation in the nature of purchase.

- 7,164,600 Equity shares of Rs 10 each, fully paid up are to be issued /allotted by the Company to the erstwhile shareholders of the transferor companies mentioned in (A) (I) (i) above in consideration for the net identifiable assets transferred on amalgamation as mentioned below:

Transferor Company	Value of Net Identifiable Assets taken over (Rs.in lakhs)	Aggregate amount of reserves taken over (Rs.in lakhs)	Consideration over (Rs.in lakhs)	Goodwill / (Amalgamation Reserve) over (Rs.in lakhs)
DTPL	1,046.33	670.46	342.75	(33.12)
SGJL	541.94	499.80	330.00	287.86
JPPL	601.89	265.72	43.71	(292.46)

The aforesaid amounts of amalgamation reserve and goodwill has been recognised in the books of the Company. Goodwill is being ammortised over its estimated useful life of 5 years.

- Had the Company followed the accounting treatment prescribed by Accounting Standard 14 - Accounting for Amalgamation in respect of amalgamation in the nature of purchase:

  – Fixed assets, other than land and building, should have been transferred to the Company at their fair values instead of at their book values aggregating Rs 4,122. Fair values of such fixed assets transferred have not been ascertained. However, difference if any, between aggregate fair values of such fixed assets and their aggregate book values were not expected to be material considering the nature of such fixed assets and their carrying values.

– Additional amalgamation reserve of Rs. 1,435.99 lakhs subject to adjustments specified in paragraph (A) (IV) (i) above, should have been recognized in the books of the Company with corresponding reduction in reserves taken over on amalgamation, as follows:
    - Profit and Loss Account by Rs. 892.31lakhs
    - Securities Premium by Rs. 492.84 lakhs
    - General Reserve by Rs. 50.83 lakhs

Goodwill on amalgamation Rs 287.86 lakhs would not have been recognised in the books of the Company. Accordingly, amortisation of such goodwill for the year Rs 57.57 lakhs would not have been recognised and profit after tax for the year would have been higher by that amount.

B. Amalgamation of Pitty Fincon Services Private Limited (PFSL), Pancharatan Jewellers Private Limited (PJL) and Creative Jewels (India) Private Limited (CJIL) with the Company.

- In accordance with the Scheme –

  – Assets and liabilities of Pitty Fincon Services Private Limited (PFSL), Pancharatan Jewellers Private Limited (PJL), and Creative Jewels (India) Private Limited (CJIL) have been transferred to the Company at their book values at close of business on 31 March 2006.

  – Reserves and surplus as at 31 March 2006 in the books at the transferor companies mentioned in (B) (I) (i) above, continue to appear in the same manner and under the same classification in the books of the Company.

  – Rights and obligation arising from inter corporate loans and balances between the companies mentioned in (B) (I) (i) above (including the Company) have been set off for the purpose of accounting for the amalgamation.

  – Equity shares of Rs 10 each fully paid up are to be issued/allotted by the Company in the following manner to effect the amalgamation:
    - One equity share of the Company for 1 fully paid up equity shares of Rs. 10/- each of PFSL.
    - One equity share of the Company for 1 fully paid up equity shares of Rs. 10/- each of PJL.
    - One equity share of the Company for 1 fully paid up equity shares of Rs. 10/- each of CJIL.

- The amalgamation of the transferor companies mentioned in (B) (I) (i) above with the Company has been accounted for in the books of the Company as an amalgamation in the nature of merger.

- Accordingly, 1,714,900 equity shares of Rs 10/- each, fully paid up are to be issued / allotted by the Company to the erstwhile shareholders' of the transferor companies mentioned in B (I) (i) above in consideration for the net identifiable assets transferred on amalgamation, as mentioned below :

Transferor Company	Value of Net Identifiable Assets as on 31 March 2006 (Rs.in lakhs)	Consideration (Rs.in lakhs)
PFSL	49.84	49.84
PJL	43.10	43.10
CJIL	78.55	78.55

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure V
Statement of cash flows, as restated

(Amounts Rupees in Lakhs)

Sl.No.	Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
A.	**Cash flow from operating activities**						
	Net profit before tax and adjustments as per audited accounts	**8,133.09**	**13,344.37**	**8,835.41**	**5,242.31**	**1,127.27**	**57.47**
	Add / (Less): Adjustments (refer Annexure I)	-	-	373.58	(356.18)	(4.56)	1.19
	Net profit before tax , as restated	**8,133.09**	**13,344.37**	**9,208.99**	**4,886.13**	**1,122.71**	**58.66**
	Adjusted for :						
	(Profit)/Loss on sale of fixed assets	(0.51)	1.20	1.92	0.92	-	-
	Depreciation/ Amortisation	100.20	183.78	157.31	129.75	8.18	7.69
	Unrealised foreign exchange (gain) / loss (net)	1,858.17	(943.33)	(648.76)	126.54	2.22	(7.91)
	Interest received	(2,291.15)	(3,920.52)	(473.84)	(174.96)	(4.64)	(4.73)
	Interest charges	3,618.07	5,629.37	1,720.13	684.26	61.06	51.63
	Advances written off	-	176.67	-	-	-	-
	Provision for diminution for investment	11.58					
	Provision for doubtful debts	22.27	-	0.68	388.41	-	-
	Liabilities no longer required written back	-	-	-	(0.69)	-	-
	Profit on transfer of booking advance	-	-	-	(2.00)	-	-
	Debts written off	-	-	-	1.43	-	-
	Preliminary expenses written off	-	-	-	6.43	-	-
	Operating profit before changes in working capital	**11,451.72**	**14,471.54**	**9,966.43**	**6,046.22**	**1,189.53**	**105.34**
	Adjustments for (Increase)/ decrease in working Capital						
	Trade and other receivables	(17,296.62)	(3,880.39)	(3,724.83)	(2,951.84)	(2,167.11)	(126.19)
	Inventories	(4,280.34)	(440.72)	(3,460.17)	(2,740.43)	(267.46)	(99.37)
	Trade payables / other liabilities	14,755.64	1,468.17	2,704.52	1,422.67	1,335.19	232.18
	Net Changes in working Capital	**(6,821.32)**	**(2,852.94)**	**(4,480.48)**	**(4,269.60)**	**(1,099.38)**	**6.62**
	Cash generated from/(used in) operations	**4,630.40**	**11,618.60**	**5,485.95**	**1,776.62**	**90.15**	**111.96**
	Direct taxes paid (net)	(31.02)	(432.64)	(353.31)	(35.34)	(0.42)	(2.50)
	Net Cash from Operating activities (A)	**4,599.38**	**11,185.96**	**5,132.64**	**1,741.28**	**89.74**	**109.46**
B.	**Cash flow from investing activities**						
	Purchase of fixed assets	(521.24)	(232.48)	(412.21)	(206.25)	(4.62)	(35.58)
	Proceeds from sale of fixed assets	5.30	0.58	2.00	0.50	-	-
	Loans (Given) / realisation (net)	(643.21)	22.69	(129.84)	624.59	-	-
	Purchase of investments	-	-	(555.30)	-	-	-
	Sale of investments	-	-	6.39	-	-	-
	Profit on transfer of booking advance	-	-	-	2.00	-	-
	Investment in associate	-	-	-	(0.33)	-	-
	Cash & cash equivalent aquired on amalgamation	-	-	-	1,738.81	-	-
	Net Cash (Used In)/ Generated From Investing Activities (B)	**(1,159.15)**	**(209.21)**	**(1,088.96)**	**2,159.32**	**(4.62)**	**(35.58)**
C.	**Cash flow from financing activities**						
	Proceeds from :						
	- Long term borrowings	-	-	20.15	116.45	-	-

Sl.No.	Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
	- Short term borrowings	37,480.10	105,619.15	38,927.85	23,281.87	8,585.80	5,134.17
	Repayment of:						
	- Long term borrowings	(10.74)	(28.03)	(87.24)	(50.65)	(1.08)	(1.08)
	- Short term borrowings	(30,003.48)	(86,142.74)	(28,244.21)	(23,121.51)	(8,544.72)	(5,145.56)
	Interest received	1,738.52	3,795.43	525.25	139.17	4.64	2.85
	Interest paid	(3,725.61)	(5,281.11)	(1,694.23)	(680.58)	(61.06)	(51.86)
	Dividend Paid	(216.06)	(250.84)	-	-	-	-
	Issue of cumulative convertible preference shares (including securities premium)	-	-	8,000.00	-	-	-
	- Issue of fully convertible debentures	-	-	500.00	-	-	-
	Share issue expenses	(96.11)	-	(239.21)	-	-	-
	Share application money						2.03
	Proceeds from fresh issue of equity shares (including share premium)	-	-	-	-	95.95	-
	Net Cash (Used In)/ Generated From Financing Activities (C)	**5,166.62**	**17,711.86**	**17,708.36**	**(315.25)**	**79.53**	**(59.45)**
	Net increase/(decrease) in cash and cash equivalents D=[(A)+(B)+(C)]	**8,606.85**	**28,688.61**	**21,752.04**	**3,585.34**	**164.65**	**14.43**
	Opening cash and cash equivalents	54,280.79	25,592.18	3,840.14	254.80	90.15	75.72
	Closing cash and cash equivalents	**62,887.64**	**54,280.79**	**25,592.18**	**3,840.14**	**254.80**	**90.15**

Notes :

1.	Cash and cash equivalent comprises :						
	Cash in hand	46.66	38.01	33.32	23.86	0.79	1.40
	Balances with scheduled banks						
	- Current account**	2,981.46	2,210.69	1,281.46	195.44	165.78	1.07
	- Deposit account*	59,859.52	52,032.09	24,277.40	3,620.85	88.23	87.67
	TOTAL	**62,887.64**	**54,280.79**	**25,592.18**	**3,840.14**	**254.80**	**90.15**
	* includes margin money deposit on account of security deposit against borrowings which are not readily available for other purposes.	59,857.02	52,032.40	23,276.02	764.51	-	-
	** Excluding unrealised foreign exchange gain	1.83	42.90	-	-	-	-

2. The above cash flow statement has been prepared under the "indirect method" as set out in Accounting Standard 3 on Cash Flow Statement as prescribed by Companies (Accounting Standards) Rules, 2006.
3. To be read together with summary of significant accounting policies (Annexure III) and Notes to summary statement of restated profit and loss and restated assets and liabilities (Annexure IV).
4. Figures have been regrouped to ensure consistency of presentation.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure VI
Statement of dividends declared

The Company declared dividends during the years ended 31 March 2009 and 31 March 2008. No dividends were declared for the six months period ended 30 September 2009 and financial years ended 31 March 2007, 31 March 2006 and 31 March 2005.

	FY 2009	FY 2008
Equity share capital		
Number of shares of face value of Rs. 10 each	21,439,661	21,439,661
Rate of Dividend (%)-	10	10
Amount of Dividend Paid (Rs. in Lakhs)	214.40	214.40
Total Corporate Dividend Tax (Rs. in Lakhs)	36.44	36.44
Cumulative Convertible Preference share capital (CCPS)		
Number of shares of face value of Rs. 300 each	2,666,666	2,666,666
Rate of Dividend (%)-	10	0.0001%
Amount of Dividend Paid (Rs. in Lakhs)	26.63	-
Total Corporate Dividend Tax (Rs. in Lakhs)	4.53	-
0% Fully Convertible Debentures		
Number of debentures of face value of Rs. 100 each	500,000	500,000
Rate of Dividend (%)-	10%	0%
Amount of Dividend Paid (Rs. in Lakhs)	1.67	-
Total Corporate Dividend Tax (Rs. in Lakhs)	0.28	-

Note:

1. Dividend declared for the year ended 31 March 2009 includes dividend on Cumulative Preference Shares and Fully Convertible Debentures converted subsequently into 26,66,666 and 1,66,667 number of equity shares on 28 August 2009 and 11 August 2009 respectively.

2. No dividends on equity share capital were declared for the six months period ended 30 September 2009 and for the years ended 31 March 2005, 31 March 2006 and 31 March 2007.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure VII

Statement of secured and unsecured loans

Unsecured loans, as restated

(Amounts Rupees in Lakhs)

Particulars	**As at 30 September 2009**	**As at 31 March 2009**	**As at 31 March 2008**	**As at 31 March 2007**	**As at 31 March 2006**	**As at 31 March 2005**
0% Fully Convertible Debentures	-	500.00	500.00	-	-	-
From Promoters and their relatives	-	-	-	1.10	14.53	46.60
From Promoters group companies	-	-	-	-	*562.66	-
From subsidiaries	-	-	181.72	-	-	-
From Banks	-	64.31	671.50	-	-	-
From Others	-	-	-	510.60	26.30	95.32
Total	**-**	**564.31**	**1,353.22**	**511.70**	**603.49**	**141.92**

Note:
* Indicates loans from body corporate Rs. 562.66 lakhs since amalgamated with the Company.

Unsecured loan from Promoters, their relatives and group companies and subsidiaries are interest-free and are repayable on demand details there of as follows:

(Amounts Rupees in Lakhs)

	As at 30 September 2009	**As at 31 March 2009**	**As at 31 March 2008**	**As at 31 March 2007**	**As at 31 March 2006**	**As at 31 March 2005**
Promoter and their relatives						
Umesh Parekh	-	-	-	-	11.64	14.14
Nilesh Parekh	-	-	-	-	-	21.07
Sumona Parekh		-	-	1.10	1.10	6.11
Kumud Parekh		-	-	-	1.78	5.29
Group companies						
Doyan Traders and properties Pvt. Ltd.	-	-	-	-	497.91	-
Janki Properties Pvt. Ltd.	-	-	-	-	59.26	-
Creative Jewels India Pvt. Ltd.	-	-	-	-	5.50	-
Subsidiaries						
J T Metal and Minerals Export Private Limited	-	-	181.72	-	-	-

Secured loans, as restated

(Amounts Rupees in Lakhs)

Source	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
1. Buyers credit from Bank	33,140.83	32,051.71	8,524.97	-	-	-
2. Post shipment credit from bank	3,844.66	2,157.85	841.25	-	-	-
3. Demand loan from Bank	582.55	215.22	-	-	-	-
4. Gold taken on loan from bank	76.62	59.61	478.91	147.99	124.22	53.69
5. Car loans from bank	7.66	18.40	43.89	47.24	0.36	1.44
6. Building loans from Bank	-	-	2.54	6.07	-	-
7. Car loans from others	-	-	-	0.21	-	-
8. Export packing credit from bank	-	-	930.22	422.84	397.38	295.61
Total	**37,652.32**	**34,502.79**	**10,821.78**	**624.35**	**521.96**	**350.74**

Statement of secured and unsecured loans (continued)

The terms and conditions of the secured loans outstanding as at 30 September 2009 including interest rates, principal terms of security and repayment terms are given in the table below:

(Amount Rupees in Lakhs / USD in Lakhs)

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
1. Buyers credit						
a.	Indusind Bank	Rs. 20,000	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 4,597.53	100% of the LoU/LoC amount (Principal + Interest / Other Charges, in any), Cash Margin in Indian Rupees of Terms Deposits under Lien.	As per Maturity terms of buyers credit availed. Generally a range of 90 to 360 days. Tenor : Maximum 360 days
b.	Yes Bank Limited	Rs. 4,000	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 3,574.17	Fully secured by Lien on Fixed Deposits with Yes Bank Limited	As per Maturity terms of individual buyers credit availed. Generally a range of 90 to 360 days. Tenor: Maximum 12 Months usance period.
c.	Standard Chartered Bank	USD 300	At the rate as negotiated with and agreed by bank, subjected to RBI guidelines.	Rs. 2,070.30	Pari-passu first charge on all current assets, both present and future. Personal guarantees of Mr. Nilesh Parekh and Mr. Umesh Parekh. Cash margin of 10% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
d.	Axis Bank	Rs. 15,000	LIBOR + 175 bps. The LIBOR would be fixed on a six monthly basis and interest is payable after completion of every six months on a rear end basis	Rs. 10,360.40	Cash margin of 100% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. Tenor - 90 days.
e.	Corporation Bank	Limits are transaction	To be decided at the time of transaction	Rs. 5,373.24	Cash margin of 100% in form of fixed deposits	As per Maturity

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
		specific	(2-5%), depending on LIBOR fluctuation.		(FDs).	terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
f.	Bank of India	Limits are transaction specific	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 999.56	Cash margin of 100% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
g.	IDBI Bank	Rs. 10,000 with a sub-limit of 500.00 for LER-Forex forwards	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 4,245.15	i)Bills with title to the goods duly endorsed in favor of the bank ii) Cash margin of 100% in form of fixed deposits (FDs). iii) Personal guarantees of Mr. Nilesh Parekh & Mr. Umesh Parekh	As per Maturity terms of individual buyers credit availed. Tenor – max. 180 days.
h.	Allahabad Bank	Limits are transaction specific	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 1,920.47	Cash margin of 100% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
2. Demand loan from bank						
a.	Bank of India	100 % of FD Value	FD interest rate +2 %	Rs. 582.55	Secured against lien on fixed deposits.	Repayable on demand
3. Gold on Loan						
a.	The Bank of Nova Scotia	NA	NA	Rs. 76.62	115% of the banks determination of the value gold on transaction to transaction basis.	90-120 days on transaction to transaction basis.
4. Car Loan From bank						
a.	HDFC Bank	Rs. 10.00	9%-12%	Rs. 3.10	Secured against respective Vehicles	Monthly upto 2 July 2010
b.	ICICI Bank	Rs. 10.00	12.40%	Rs. 2.87	Secured against respective Vehicles	Monthly upto 10 June 2010
c.	ICICI Bank	Rs. 26.92	8.70%	Rs. 1.69	Secured against	Monthly upto

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
					respective Vehicles	5 November 2009
5. Post Shipment Credit from Bank						
a.	Export-Import Bank of India	Rs. 4,000	INR: 8.50% p.a. to 12% USD: LIBOR (6 months) + 300bps p.a. payable with quarterly rests	Rs. 2,082.66	1. Secured by exclusive charge on the entire current assets/receivables to be financed by Exim Bank. 2. First Pari-passu charge with other banks over the entire current assets of the company, present and future (excluding assets having specific charge of respective financing banks under multiple banking system). 3. Assignment of ECGC Whole Turnover Post Shipment Guarantee Cover (65% of the Bill Value) in favor of Exim Bank. 4. Cash collateral by way of Fixed Deposit (interest bearing) to the tune of 25% of the facility. 5. Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. 6. Post dated cheque(s) for the principal and interest amount under each disbursement.	Valid for a period of one year with effect from January 23, 2009
b.	Karnataka Bank	Rs. 7,500	BRDS – Sight Bills/ Usance bills upto 6 months. – LIBOR + 3.50% p.a. Bills realized after due date upto date of crystallization. – Rate of interest as above + 2.00% p.a. Demand Bills For NTP as specified by FEDAI and overdue upto 180 days from the date of advance – PLR - 4% Overdue Bills –	Rs. 1,552.00	Primary: 1) Goods Covered Under export bills/ accepted bills of exchange. Collateral 1) Pledge of Term Deposits with Face Value of 25% of the limit. 2) Personal Guarantee of Nilesh Parekh & Umesh Parekh 3) ECGC credit cover WTPSG.	Post Shippment Credit: By Realization of Export Bills.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			Beyond 180 days from the date of advance up to 360 days from the date of shipment – PLR Overdue Bills – Beyond 360 days from the date of shipment – PLR + 2%. Usance Bills (For total period comprising usance period of export bills, transit period as specified by FEDAI, and grace period whenever applicable) Upto 180 days from the date of advance (including overdue period) – PLR – 4% Beyond 180 days from the date of advance and upto 360 days from the date of shipment – PLR Overdue Bills - Beyond 360 days from the date of shipment – PLR + 2%			
c.	Syndicate Bank	Rs. 5,000	Rate of Interest: PLR – 2.5%	Rs. 210.00	Primary: Export Documentary Bills discounted/ purchased both on sight/ usance of upto 180 days. Pari-passu 1st charge by way of hypothecation of raw material / work in process / finished goods of the company. Pari-passu 1st charge on receivables both exports and domestic of the company. Cash margin of 25% Buyer wise policy from ECGC to be obtained.	180 days from the date of the bill

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
					Collateral: Deposit of Rs. 1250 lacs is to be kept in lien in the name of the company with us. No separate loan against the deposit will be made available. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	
6. Acceptances						
a.	Corporation Bank	Rs. 10,000	Upto 270 days: 10.00% p.a. Beyond 270 days and upto 360 days: 13.00% p.a. (Subject to revision from time to time)	Rs. 9,449.87	Principal: 1) Hypothecation/first charge on inventory-cum-book debts/current assets.2) Guarantee of Promoters - Mr. Nilesh Parekh and Mr. Umesh Parekh and M/s Bajoria Apartments (P) Ltd. Collateral 1) Mortgage of certain immovable properties of Company at Domjur, Barranagar, Free School Street, Camac street, Park street, and Ram Narayan Bhatercharya Lane Kolkata. 2) Pledge of FDs of the bank of Rs. 18.15 crores including fresh FDs of Rs. 8.33 crore to be obtained.	Sight Bill to be paid within normal transit period. In case of usance bills, tenor not exceeds 180 days from the date of bill of lading.
	Sub Limit BG cum SB LC cum Inland/Import	Rs. 700	At 50% concession on the prescribed rates	-	Extension of Hypothecation/first charge on inventory cum book debts/current assets of the company.	
	Sub Limit for PCL/PCFC	Rs. 600	As per RBI guidelines	-	Hypothecation/ first charge on raw materials viz. gold bars, stock in process and finished goods comprising of gold Jewellery meant for exports and book debts/ current assets of the Company.	
b.	Allahabad Bank	Rs. 6,000	9% - 12%	Rs. 2,952.94	1) Charge over relative Export Bills. 2) Pledge of FDRs to 30% of the Bills	Within the due date of the relative Export Bills.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
					purchased. 3) Cover under ECIBWTPS scheme of ECGC Ltd. 4) Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	Generally 180 days.
c.	Axis Bank	Rs. 11,500	LIBOR (6 months) + 100 bps (inclusive of withholding tax)	Rs. 9,392.48	Primary: 1) Export Bills with title to the goods duly endorsed in favour of the bank. 2) Pari Passu charge on current assets of the Company. Collateral: 1) Cover under WTPSG Scheme of ECGC. 2) Lien on FD (to the extent of 25% of the limit. 3) Personal guarantee of Mr. Nilesh Parekh, Chairman and Mr. Umesh Parekh, MD.	Tenor: Maximum 180 days from the date of shipment.
d.	Bank of India	Rs. 5,000	INR: 9% -13%, USD: 6 months LIBOR/Euro, LIBOR/EURIBOR + 50-1000 basis points	Rs. 4,878.74	Principal: 1) 1st Pari Passu on stock and book debt. 2) Specific charge on bills submitted for purchase. Collateral: 1) Lien on fixed deposit as upfront margin. 2) Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	Tenor: Maximum 180 days from the date of shipment.
e.	United Bank of India	Rs. 10,000	INR: Interest is as per bank's prevailing circular. USD: At prevailing LIBOR linked rate of interest of the bank.	Rs. 9,816.13	Primary: 1) Hypothecation of Foreign Documentary Bills. Collateral: 1) First pari passu charge with other banks over the entire current assets of the company, present and future (excluding assets having specific charge of respective financing banks). 2) Lien on term deposits of Rs. 30 crores along with accrued value of interest thereon. 3) Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh, covering the entire limit.	180 days from the date of the bill
f.	Bank of Maharashtra	Rs. 5,000	INR: Linked to	Rs.	Primary: 1) Lien on	180 days

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			BPLR, 4% - 9% USD: As per RBI guidelines	4,736.38	Export Bills/ Hypothecation of Export Receivables/ Charge on Current Assets. Collateral: 1) Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. 2) Secured by fixed Deposits of Rs. 15 crores (30% of exposure). 3)Cover under ECIBWTPS scheme of ECGC Ltd.	from the date of the bill
g.	Karnataka Bank	Rs. 7,500	INR: Sight Bills - For NTP: PLR - 4% p.a., Overdue: PLR + 3% p.a. Usance Bills - PLR - 4% p.a.- PLR+ 3% p.a. USD: Libor/Euro Libor/Euribor + 1% p.a.	Rs. 5,620.97	Primary: 1) Goods Covered Under export bills/ accepted bills of exchange. Collateral 1) Pledge of Term Deposits with Face Value of 25% of the limit. 2) Personal Guarantee of Nilesh Parekh & Umesh Parekh 3) ECGC credit cover WTPSG.	Post Shippment Credit: By Realization of Export Bills.
h.	State Bank of India	Rs. 10,000	a) Demand Bills – 2.75% below SBAR, b) Usance Bills - 2.75% below SBAR to SBAR plus 2.50%. b) Penalty for non-compliance with covenants – 1% p.a.	Rs. 9,722.52	Primary: 1) Hypothecation of receivables of the bills discounted and other Current assets. Cash Collateral by way of Fixed Deposit to the tune of Rs. 30 Crores. Collateral:1)Cash collateral by way of Fixed Deposits to the tune of Rs. 30 crores. 2) Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh	1 year from the date of sanction.
i.	UCO Bank	Rs. 5,000	As per RBI guidelines on transaction to transaction basis	Rs. 4,854.19	Primary: 1) Pari passu first charge on current assets except foreign bills where specific charge of the Bank Purchasing / Discounting the bill will be there. Collateral: 1)30% collateral cover is to be maintained while disbursing the new limit 2) Document of title to goods of the Company.	1 year from the date of sanction.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
j.	Syndicate Bank	Rs. 5,000	Rate of Interest: PLR – 2.5%	Rs. 1,297.58	Primary: Export Documentary Bills discounted/ purchased both on sight/ usance of upto 180 days. Pari-passu 1st charge by way of hypothecation of raw material / work in process / finished goods of the company. Pari-passu 1st charge on receivables both exports and domestic of the company. Cash margin of 25% Buyer wise policy from ECGC to be obtained. Collateral: Deposit of Rs. 1250 lacs is to be kept in lien in the name of the company with us. No separate loan against the deposit will be made available. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	180 days from the date of the bill
k.	Bank of Baroda	Rs. 5,000	Upto 90 days from the date of advance 3.50% below BPLR Beyond 90 days from the date of advance and upto 180 days 0.25% above BPLR. BPLR is 13.25% p.a. at present. Penal interest at @ 2.00% in case of overdues.	Rs. 4,906.51	Primary: Pari-passu 1st charge by way of hypothecation of entire stock of inventory, receivables and other chargeable current assets of the company. Collateral: Lien on Fixed Deposits for Rs. 15.00 crores. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	180 days from the date of the bill

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure VIII

Statement of other income, as restated

(Amounts Rupees in Lakhs)

Particulars	Six months period ended 30 September 2009	Year ended 31 March 2009	Related / Not related to Business activity
Recurring			
Interest received on fixed deposit	2,253.01	3,914.20	Related
Exchange gain (net)	-	2,472.77	Related
Commission	64.45	316.73	Related
	2,317.46	6,703.83	
Non recurring			
Interest – others	38.14	6.32	Related
Miscellaneous income	14.10	110.81	Related
Provision no longer required written back	139.17	-	Related
	191.41	117.13	
Total	**2,508.87**	**6,820.83**	

Notes:

1. The classification of income as recurring/ non recurring and related/ not related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. Details of 'Other Income' for the years ended 31 March 2008, 31 March 2007, 31 March 2006 and 31 March 2005 have not been given as it does not exceed 20% of the net profit before tax for these years, as per the summary statement of profit and loss, as restated.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure IX

Statement of accounting ratios

		HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
	Net Profit before extraordinary items but after adjusted tax (Rs. in lakhs) **(A)**	7,995.90	13,245.07	8,965.52	4,853.23	1,116.51	47.05
	Net worth at the end of the year/period (Rs. in lakhs) **(B)**	48,065.81	39,767.82	26,806.73	10,331.26	1,372.89	162.43
	Net worth excluding preference share capital at the end of the year/period (Rs. lakhs) **(C)**	48,065.81	31,767.82	18,806.73	10,331.26	1,372.89	162.43
	Weighted average number of equity shares outstanding during the year/period **(D)**	43,963,111	42,879,322	42,879,320	42,879,320	16,887,619	14,833,280
	Weighted average number of equity shares and dilutive potential equity shares outstanding during the year/period **(F)**	43,963,111	48,545,988	43,423,612	42,879,320	16,887,619	14,833,280
	Total number of equity shares outstanding at the end of the year/period **(E)***	48,545,988	21,439,661	21,439,661	12,560,160	785,010	443,540
A	Earnings per equity share (Rs.)						
	- Basic (A/D)	18.19**	30.89	20.91	11.32	6.61	0.32
	- Diluted (A/F)	18.19**	27.28	20.65	11.32	6.61	0.32
B	Return on Net Worth (%) (A/B)	16.64**	33.31	33.45	46.98	81.33	28.97
C	Net asset value per share (Rs.) (C/E)	99.01	148.17	87.72	82.25	174.89	36.62

** As per audited financial statement.*

***Not annualized*

Notes:

1. The ratios have been computed as follows:

Earnings per share (Basic) $= \dfrac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

Earnings per share (Diluted) $= \dfrac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares including dilutive equity equivalent shares outstanding during the year}}$

Return on net worth $= \dfrac{\text{Net profit after adjusted tax}}{\text{Net worth as at the end of the year}} \times 100$

Net asset value per equity share $= \dfrac{\text{Net worth as at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

2. Restated net profit, as appearing in the summary statement of profits and losses, as restated and net worth as appearing in the statement of assets and liabilities, as restated, has been considered for the purpose of computing the above ratios.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" prescribed by the Companies (Accounting Standards) Rules, 2006.

4. For the purpose of computing Return on Net Worth, preference share capital and share application money pending allotment has been included for calculating Net Worth.

5. For the purpose of calculating Net Assets Value, preference share capital has not been included for calculating the Net Worth.

6. For the purpose of computing weighted average number of equity shares outstanding during the respective years and weighted average number of dilutive potential equity shares outstanding during the respective years, the impact of bonus shares issued aggregating 11,775,150 during the year ended 31 March 2007 and shares aggregating 24,272,994 during the period ended 30 September 2009 have been considered in all the respective years presented above. These bonus shares have been issued by utilising the securities premium account and profit and loss account.

7. 2,666,666 Preference Shares and 5,00,000 debentures have been converted into 26,66,666 and 1,66,667 number of equity shares on 28 August 2009 and 11 August 2009 respectively.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure X

Capitalisation statement as at 30 September 2009, as restated

(Amounts in Rupees Lakhs)

Particulars	Pre-issue
Borrowings	
Short-Term	37,652.32
Long-Term	-
Total	**37,652.32**
Shareholders' Funds	
Equity	4,854.60
Reserves & Surplus	
- Amalgamation reserve	325.59
- General reserve	119.47
- Securities premium	7,208.44
- Profit and Loss Account	35,557.71
Total	**48,065.81**
Long-term Debt/Equity ratio	-

Notes:

1. Car loans repayable within the next one year from 30 September 2009 are considered as short-term debts. Export packing credit, cash credit and overdraft received from banks are considered as short term debts.

2. Long term debt represents debt other than short term debt, as defined above.

3. The post-issue debt equity ratio will be computed on the conclusion of the book building process.

4. The figures included above are as per the summary statements of assets and liabilities and profits and losses, as restated.

5. Long term debt / equity ratio $\dfrac{\text{Long term debt}}{\text{Total shareholder's funds}}$

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XI

Statement of tax shelters, as restate

(Amount Rupees in Lakhs, except for tax rates)

Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Profit / loss before current and deferred taxes, as restated **(A)**	8,133.09	13,344.37	9,208.99	4,886.13	1,122.71	58.66
Tax Rate - Normal **(B)**	33.99%	33.99%	33.99%	33.66%	33.66%	36.5925%
Tax expense at applicable tax rate on restated profits **(D) = (A) * (B)**	2,764.44	4,535.75	3,130.14	1,644.67	377.90	21.46
Permanent Differences						
Profit on Export sales	(7,726.01)	(13,221.09)	(8,865.01)	(4,953.72)	(1,111.52)	(28.03)
Expenditure incurred on amalgamation	-	-	-	22.88	-	-
Disallowance u/s 40A (3) of Income Tax Act	-	2.00	3.87	0.83	0.36	-
Disallowed expenditure	1.66	-	50.50	31.18	-	-
Charity and donation	-	1.73	5.88	1.49	0.83	-
Fines and penalties	-	-	-	0.11	-	-
Employees' contribution to PF and ESI not deposited within due date u/s 36(1)(a)	-	0.52	0.12	-	-	-
Total (F)	**(7,724.35)**	**(13,216.83)**	**(8,804.64)**	**(4,897.23)**	**(1,110.33)**	**(28.03)**
Temporary Differences						
Difference between tax depreciation and book depreciation	36.90	70.79	73.30	77.10	0.68	0.41
Preliminary expenses	-	-	(1.96)	5.30	(0.11)	(0.11)
Disallownace u/s 40A (7) of Income Tax Act	(0.77)	5.13	9.49	4.23	-	-
Disallownace u/s 40 (a) (ia) of Income Tax Act	-	-	(29.61)	50.69	-	-
Disallownace u/s 43B of Income Tax Act	6.91	25.94	79.41	(0.31)	-	0.56
Deduction u/s and 35 D and 35 DD	(2.63)	(4.58)	(4.58)	(4.58)	-	-
(Profit)/ Loss on sale of assets	-	1.20	1.92	(1.08)	-	-
Diminution in value of investment	11.58					
Provision for doubtful debts	22.27	-	0.68	388.41	-	-
Total (G)	**74.26**	**98.48**	**128.65**	**519.77**	**0.57**	**0.86**
Net Adjustments **(H) = (F) + (G)**	(7,650.09)	(13,118.36)	(8,675.99)	(4,377.46)	(1,109.76)	(27.17)
Tax expenses/(savings) thereon **(I) =(H) * (B)**	(2,600.27)	(4,458.93)	(2,948.97)	(1,473.45)	(373.54)	(9.94)
Net impact (J) = (D) + (I)	**164.17**	**76.82**	**181.17**	**171.22**	**4.36**	**11.52**
Interest on tax payments	-	-	2.42	7.17	-	-
Tax provision - Current tax (restated)	**170.00**	**100.00**	**220.11**	**190.92**	**5.04**	**11.91**

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XII

Break up of ageing schedule of sundry debtors, as restated

(Amounts in Rupees Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
Unsecured and considered good						
Debts outstanding for a period						
-exceeding six months	836.45	4,164.23	887.89	999.02	980.96	-
-less than six months	29,338.17	13,371.61	13,196.06	10,331.72	749.82	587.04
Considered doubtful						
-debts outstanding for a period exceeding six months	408.95	388.41	389.09	14.83	-	-
	30,583.57	**17,924.25**	**14,473.04**	**11,345.57**	**1,730.78**	**587.04**
Less: Provision for doubtful debts	408.95	388.41	389.09	388.41	-	-
	30,174.62	17,535.84	14,083.95	10,957.16	1,730.78	

1. Sundry Debtors outstanding include debt outstanding from group companies and subsidiaries are as follows:

(Amounts in Rupees Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
Group companies	-	-	-	34.97	24.08	0.05
Subsidiaries	708.26	246.74	28.74	-	-	-

2. There are no debts outstanding from promoters, directors and their relatives in any of the years/period.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XIII

Break up of loans and advances, as restated

(Amounts Rupees in Lakhs)

Particulars	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
Unsecured and considered good						
Loans						
- to subsidiaries	642.21	464.69	116.59	-	-	-
- to body corporate and others	1.00	1.00	1.00	-	889.40	-
- to employees	5.50	5.95	6.78	7.00	-	-
Advances recoverable in cash or in kind or for value to be received	3,970.95	3,173.43	1,413.40	513.28	102.20	40.47
Foreign currency receivable	-	2,491.12	-	-	-	-
Balances with sales tax authorities	52.18	52.28	51.53	51.68	-	-
Security deposits	408.98	392.87	58.72	24.71	0.35	0.35
Income tax	140.33	279.77	-	-	-	-
	5,221.15	**6,861.11**	**1,648.02**	**596.67**	**991.95**	**40.82**

Notes:

1. Loans and Advances include debt outstanding from Promoters, Directors, their relatives, group companies and subsidiaries are as follows:

(Amounts Rupees in Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007	As at 31 March 2006	As at 31 March 2005
Promoters and their relatives	-	-	1.11	8.91	32.12	-
Group Companies	3.50	343.77	34.11	38.32	850.30	-
Subsidiaries	642.21	464.69	116.59	-	-	-

2. There are no outstanding guarantees made by the Company for the benefit of its directors / key management personnel for the year ended 31 March 2005, 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and for the six months period ended 30 September 2009.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XIV

Statement of aggregate book value and market value of investments, as restated

(Amounts Rupees in Lakhs)

	No. of Shares	Face Value per share	As at 31 September 2009	As at 31 March 2009	As at 31 March 2008	As at 31 March 2007
Equity Stock – Unquoted (fully paid up)						
Shares in Subsidiary Companies						
Bajoria Apartments Private Limited#	50,000	10	5.04	5.04	5.04	-
Charturbujh Jewellery House Private Limited#	197,500	10	19.91	19.91	19.91	-
Easy Fit Jewellery Private Limited#	36,200	10	88.83	88.83	88.83	-
Galaxy Jewel Art Private Limited#	10,000	10	1.01	1.01	1.01	-
Gokul Jewellery House Private Limited	282,500	10	28.48	28.48	28.48	-
Gold Art Jewellers Private Limited#	337,500	10	34.02	34.02	34.02	-
J T Metals & Minerals Exports Private Limited#	3,100,000	10	310.10	310.10	310.10	-
Mudrika Jewels Private Limited#	10,000	10	1.01	1.01	1.01	-
Safal Jewellers Private Limited#	485,000	10	48.89	48.89	48.89	-
Samukh Exim Private Limited#	10,000	10	1.01	1.01	1.01	-
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	10,000	27	2.74	2.74	2.74	-
Shrishti Jewel Art Private Limited#	10,000	10	1.01	1.01	1.01	-
Smart Gold Jewel House Private Limited#	10,000	10	1.01	1.01	1.01	-
Subarna Jewels Private Limited#	10,000	10	1.01	1.01	1.01	-
			544.07	544.07	544.07	-
Others						
Damgan Retail Jewellery Private Limited	3,300	10	0.33	0.33	0.33	0.33
Rajesh Global Solutions Limited	63,900	10	-	-	-	6.39
Share Application Money						
Damgan Retail Jewellery Private Limited	112,500	10	11.25	11.25	11.25	-
Less: Provision for diminution in the vale of investments			11.58	-	-	-
			-	11.58	11.58	6.72
Total			**544.07**	**555.65**	**555.65**	**6.72**

** As at the years ended 31 March 2006 and 31 March 2005 the Company did not have any investments.*

 # Under amalgamation (refer point no. 3(e) of Note 4 of Annexure IV to the Consolidated financial statements).

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XV

Statement of related party disclosures, as restated

List of Related Parties as per Accounting Standard – 18 prescribed by Companies (Accounting Standard) Rules, 2006.

Sl. No.	Nature of relationship	Name of the Party
(i)	Enterprises directly / indirectly are under common control with the Company # # #	Umesh Parekh (HUF)
		Nilesh Parekh (HUF)
		Swastik Wheat Product Agencies Private Limited
		Vanshika Jewels Private Limited (ceased to be a Group company w.e.f. 1 April 2009)
		Gokul Jewellery House Private Limited, Subsidiary w.e.f 25 June 2007
		JT Metals & Minerals Exports Private Limited, Subsidiary w.e.f 16 July 2007
		Bajoria Apartments Private Limited, Subsidiary w.e.f 21 June 2007
		Chaturbhuj Jewellery House Private Limited, Subsidiary w.e.f 22 June 2007
		Gold Art Jewellers Private Limited, Subsidiary w.e.f 26 June 2007
		Safal Jewellers Private Limited, Subsidiary w.e.f 29 June 2007
		Shrishti Jewel Art Private Limited, Subsidiary w.e.f 27 June 2007
		Smart Gold Jewel House Private Limited, Subsidiary w.e.f 27 June 2007
		Samukh Exim Private Limited, Subsidiary w.e.f 27 June 2007
		Galaxy Jewel Private Limited, Subsidiary w.e.f 27 June 2007
		Mudrika Jewels Private Limited, Subsidiary w.e.f 27 June 2007
		Subarna Jewels Private Limited, Subsidiary w.e.f 27 June 2007
		Shree Ganesh Jewellery House (Singapore) Pte. Ltd., Subsidiary w.e.f 5 Oct 2007
		Easy fit Jewellery Private Limited, Subsidiary w.e.f 14 Jan 2008
		Shree Vinayak Jewellers (ceased to be a Group company w.e.f. 14 April 2009)
		Liberson Dealcomm Private Limited
		Aastha Complex Private Limited *
		Doyen Traders & Properties Private Limited *
		Shree Gajanand Jewellers Private Limited *
		Janki Properties Private Limited *
		Pitty Fincon Service Private Limited *
		Creative Jewels (India) Private Limited *
		Pancharatna Jewellers Private Limited *
(ii)	Associate of the Company # # #	Damgan Retail Jewellery Private Limited, Associate w.e.f 30 October 2006
(iii)	Individuals owning (directly / indirectly) an interest in the voting power of	Mr. Umesh Parekh - Managing Director #
		Mr. Nilesh Parekh - Chairman #
		Mr. Kamlesh Parekh #
		Mrs. Kumud Parekh # #

Sl. No.	Nature of relationship	Name of the Party
	the Company that gives them control or significant influence (also the key management personnel)	Mrs. Sumona Parekh # #
		Mrs. Rani Parekh # #
		Mrs. Priti Parekh # #
		Mr. Karan Parekh # #
(iv)	Enterprise over which persons mentioned in (iii) are able to exercise significant influence.# # #	Safal Properties Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		NUK Properties Pvt. Ltd.
		Kalindi Enclave Pvt. Ltd.
		Reliable Dealer Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		Masco Mercantile Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		Kamlesh Parekh (HUF)
		BSR Caterers Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)

** The companies have been amalgamated with Shree Ganesh Jewellery House Private Limited pursuant to a scheme approved by the shareholders and approved by the Hon'ble High Court, Kolkata from 1 April, 2006 (appointed date).*

 # Promoters

 # # Relatives of the promoters

 # # # Group Companies

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

(Amount Rupees in Lakhs)

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Swastik Wheat Products Agencies Pvt Ltd	Rent expense	-	1.00	-	-	-	-
	Security deposit given	2.50	-	2.50	-	-	-
	Receivable / (payable) as at the year end	(0.27)	2.50	2.50	-	-	-
Shree Ganesh Jewellery House(Singapore) Pte Ltd	Loan given	4.11	-	2.26	-	-	-
	Interest income on loan given	0.36	0.20	0.03	-	-	-
	Investment made	-	-	2.74	-	-	-
	Loans given outstanding as at the year end	6.96	2.49	2.29	-	-	-
Easy Fit Jewellery Pvt Ltd	Sale of Goods	-	28.52	-	-	-	-
	Loan given	10.00	10.19	3.80	-	-	-
	Interest income on loan given	1.33	0.47	0.04	-	-	-
	Investment made	-	-	88.83	-	-	-
	Loans given outstanding as at the year end	25.37	14.50	3.84	-	-	-
	Receivable / (payable) as at the year end	28.52	28.52	-	-	-	-
Kalindi Enclave Pvt Ltd	Rent expense	0.60	1.60	0.50	-	-	-
	Receivable / (payable) as at the year end	(0.10)	-	(0.40)	-	-	-
JT Metals & Minearls Export Pvt Ltd	Sale of Goods	47.45	-	-	1,674.78	-	-
	Loan given	-	-	0.13	3.00	24.52	-
	Repayment of loan given	-	-	-	17.75	15.00	-
	Loan taken	-	-	127.00	602.20	-	-
	Repayment of loan taken	-	126.87	-	602.20	-	-
	Investment made	-	-	310.10	-	-	-
	Loans taken outstanding as at the year end	-	-	126.87	-	9.52	-
	Receivable / (payable) as at the year end	47.45	-	(54.85)	(54.85)	-	-
Gold Art Jewellers Pvt Ltd	Sale of Goods	1,398.40	814.72	543.25	943.50	-	-
	Purchase of goods	311.78	69.26	-	-	-	-
	Commission income	-	0.13	-	-	-	-
	Loan given	290.72	650.00	-	-	-	-
	Repayment of loan given	310.32	341.00	-	-	-	-
	Loan taken	-	-	10.00	394.00	-	-
	Repayment of loan taken		-	10.00	394.00	-	-
	Interest income on loan given	17.43	1.32	-	-	-	-
	Investment made	-	-	34.02	-	-	-
	Advances made for purchase of goods	-	-	0.16	-	-	-
	Loans given outstanding as at the year end	308.15	310.32	-	-	-	-
	Receivable / (payable) as at the year end	268.74	219.45	0.16	-	-	-
Bajoria Apartment Pvt Ltd	Sale of Goods	-	-	222.61	794.62	-	-
	Purchase of goods	38.16	-	-	-	-	-
	Loan given	2.00	54.17	6.56	59.25	-	-
	Repayment of loan given	16.01	-	12.88	60.91	-	-
	Loan taken	-	-	-	675.39	-	-
	Repayment of loan taken	-	-	-	675.39	-	-
	Interest income on loan given	0.11	-	-	6.32	-	-
	Investment made	-	-	5.04	-	-	-
	Loans given outstanding as at the year end	2.11	54.17	-	6.32	-	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Chaturbhuj Jewellery House Pvt Ltd	Sale of Goods	230.53	-	442.90	-	-	-
	Purchase of goods	-	-	133.70	-	-	-
	Investment made	-	-	19.91	-	-	-
	Advances made for purchase of goods	-	-	0.10	233.24	-	-
	Other repayments	-	-	-	153.28	-	-
	Receivable / (payable) as at the year end	230.64	0.10	0.10	(79.96)	-	-
Gokul Jewellery House Pvt Ltd	Sale of Goods	149.95	-	-	12.00	-	394.83
	Purchase of goods	143.48	-	-	426.72	8.38	-
	Loan given	-	61.52	111.69	1,451.76	520.17	-
	Repayment of loan given	-	88.00	22.97	2,006.33	177.00	-
	Loan taken	-	-	91.00	760.91	-	-
	Repayment of loan taken	-	-	91.00	808.09	-	-
	Interest income on loan given	5.17	6.11	3.90	15.03	-	-
	Investment made	-	-	28.48	-	-	-
	Job work Income	-	28.48	1.28	4.69	22.51	-
	Loans given outstanding as at the year end	98.97	95.06	115.43	22.81	343.17	-
	Receivable / (payable) as at the year end	6.46	-	28.48	(70.85)	22.51	-
Mudrika Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
	Security deposit given	-	1.10	-	-	-	-
	Receivable / (payable) as at the year end	1.10	1.10	-	-	-	-
Shree Vinayak Jewellers (partnership), Mumbai	Sale of Goods	-	-	-	-	-	17.24
	Purchase of goods	-	-	-	7.71	-	-
	Loan given	-	-	-	14.55	0.11	0.55
	Repayment of loan given	-	-	-	3.45	-	0.50
	Loan taken	-	-	40.20	3.55	0.29	-
	Repayment of loan taken	-	-	40.20	-	0.29	-
	Advances made for purchase of goods	-	-	30.61	-	-	-
	Other repayments	-	-	-	-	-	-
	Loans given outstanding as at the year end	-	-	-	7.71	0.16	0.05
	Receivable / (payable) as at the year end	-	30.61	30.61	(7.71)	-	-
Liberson Dealcom Pvt Ltd	Advances made for purchase of goods	-	-	1.00	-	-	-
	Capital advances	-	-	-	1.00	-	-
	Interest income on loan given	0.06					
	Loans given outstanding as at the year end	1.06	1.00	-	-	-	-
	Receivable / (payable) as at the year end	-	-	1.00	1.00	-	-
Safal Properties pvt Ltd	Sale of Goods	-	-	334.48	-	-	-
	Loan taken	-	-	364.52	-	-	-
	Repayment of loan taken	-	-	364.52	-	-	-
	Loan given	-					
	Interest income on loan given	-					
	Investment made	-	-	48.89	-	-	-
	Rent expense	-	72.00	-	-	-	-
	Security deposit given	-	310.00	-	-	-	-
	Loans given outstanding as at the year end	-	-	-	-	-	-
	Receivable / (payable) as at the year end	-	310.00	-	-	-	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Galaxy Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
Samukh Exim Pvt Ltd	Investment made		-	1.01	-	-	-
	Loan given	2.00					
	Interest income on loan given	0.11					
	Loans given outstanding as at the year end	2.11					
Shristi Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
	Sale of Goods	125.35	-	-	-	-	-
	Receivable / (payable) as at the year end	125.35	-	-	-	-	-
Smart Gold Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
	Loan given	2.00					
	Interest income on loan given	0.11					
	Loans given outstanding as at the year end	2.11					
Subarna Jewels Pvt Ltd	Investment made	-	-	1.01	-	-	-
Safal Jewellers Pvt ltd	Loan given	220.00	-	-	-	-	-
	Interest income on loan given	12.13	-	-	-	-	-
	Loans given outstanding as at the year end	232.13	-	-	-	-	-
Damgain Retail Jewellery Pvt Ltd	Investment made	-	-	11.25	0.33	-	-
Aastha Complex Pvt Ltd	Loan given	-	-	-	0.52	-	-
	Repayment of loan given	-	-	-	0.52	-	-
BSR Caterers Pvt Ltd	Capital advances	-	-	34.00	-	-	-
Doyen Traders & properties Pvt Ltd	Purchase of goods	-	-	-	-	220.27	31.43
	Loan given	-	-	-	-	-	
	Loan taken	-	-	-	-	1,655.00	1,100.89
	Repayment of loan taken	-	-	-	-	1,340.61	924.78
	Job work Income	-	-	-	-	-	19.11
	Share application money	-	-	-	-	-	7.40
	Loans taken outstanding as at the year end	-	-	-	-	497.90	176.11
	Receivable / (payable) as at the y	-	-	-	-	-	31.43
Pitty Fincon Pvt Ltd	Loan given	-	-	-	-	360.70	827.58
	Repayment of loan given	-	-	-	-	133.25	827.58
	Loan taken	-	-	-	-	-	-
	Repayment of loan taken	-	-	-	-	-	-
	Loans given outstanding as at the year end	-	-	-	-	-	-
	Loans taken outstanding as at the year end	-	-	-	-	227.45	-
	Receivable / (payable) as at the y	-	-	-	-	-	-
Gajanand jewellers pvt Ltd	Purchase of goods	-	-	-	-	89.31	-
	Loan given	-	-	-	-	1,384.03	-
	Repayment of loan given	-	-	-	-	1,114.03	-
	Loans given outstanding as at the year end	-	-	-	-	270.01	-
Pancharatan Jewellers pvt Ltd	Loan taken	-	-	-	-	61.00	-
	Repayment of loan taken	-	-	-	-	61.00	-
	Job work Income	-	-	-	-	1.45	-
	Receivable / (payable) as at the year end	-	-	-	-	1.45	-

Name of The Party	Nature Of Transaction	HY2010	FY2009	FY2008	FY2007	FY2006	FY2005
Creative Jewels India Pvt Ltd	Loan taken	-	-	-	-	491.00	-
	Repayment of loan taken	-	-	-	-	485.50	-
	Job work Income	-	-	-	-	0.12	-
	Loans taken outstanding as at the year end	-	-	-	-	5.50	-
	Receivable / (payable) as at the year end	-	-	-	-	0.12	-
Janaki Properties Pvt Ltd	Purchase of goods	-	-	-	-	-	58.78
	Loan given	-	-	-	-	18.02	80.00
	Repayment of loan given	-	-	-	-	31.24	8.00
	Loan taken	-	-	-	-	59.26	
	Loans taken outstanding as at the year end	-	-	-	-	59.26	-
	Rent expense	-	-	-	-	-	0.66
	Loans given outstanding as at the year end	-	-	-	-	-	13.22
Mr. Nilesh Parekh	Loan given	-	-	-	198.86	27.82	-
	Repayment of loan given	-	-	7.24	240.36	21.07	-
	Loan taken	-	-	-	0.03	-	-
	Repayment of loan taken	-	-	-	47.74	-	-
	Interest income on loan given	-	-	-	7.26	-	-
	Loans given outstanding as at the year end	-	-	-	7.24	27.82	21.07
	Remuneration including commission on profit	90.33	151.46	101.75	1.20	0.90	0.60
	Interest on on loan taken	-	-	-	-	-	1.57
	Receivable / (payable) as at the year end	(189.79)	(133.46)	(43.75)	(1.20)	-	-
Mr. Umesh Parekh	Loan given	-	-	-	-	-	-
	Repayment of loan given	-	-	-	-	-	-
	Loan taken	-	20.00	-	40.36	17.50	-
	Repayment of loan taken	-	20.00	-	90.52	15.00	-
	Capital advances	-	-	-	5.50	-	-
	Other repayments	-	-	-	5.50	-	-
	Remuneration including commission on profit	90.33	151.46	101.75	1.20	0.90	0.60
	Interest on on loan given	-	-	-	-	-	1.17
	Loans given outstanding as at the year end	-	-	-	-	11.64	14.14
	Receivable / (payable) as at the year end	(133.79)	(133.46)	(46.18)	(1.20)	-	-
Mrs. Sumona Parekh	Loan taken	-	-	-	-	-	1.73
	Repayment of loan given	-	-	1.11	-	-	-
	Repayment of loan taken	-	-	-	-	5.00	-
	Advances made for purchase of goods	-	-	0.11	-	-	-
	Interest on on loan taken	-	-	-	-	-	0.44
	Loans taken outstanding as at the year end	-	-	-	(1.11)	(1.11)	6.11
	Receivable / (payable) as at the year end	-	-	1.11	-	-	-

Name of The Party	Nature Of Transaction	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
Mrs. Rani Parekh	Net transaction with MCX division	-	-	-	(0.89)	-	-
	Loan given	-	-	-	12.00	12.30	-
	Repayment of loan given	-	-	0.70	16.30	8.00	-
	Interest income on loan given	-	-	-	0.70	-	-
	Loans given outstanding as at the year end	-	-	-	0.70	4.30	-
	Receivable / (payable) as at the year end	-	-	-	(0.89)	-	-
Mr Karan Parekh	Loan given	-	-	-	22.00	-	-
	Repayment of loan given	-	-	1.48	22.00	-	-
	Interest income on loan given	-	-	-	1.48	-	-
	Loans given outstanding as at the year end	-	-	-	1.48	-	-
Mrs. Kumud Parekh	Net transaction with MCX division	-	-	-	(0.24)	-	-
	Loan given	-	-	-	27.66	-	2.81
	Repayment of loan given	-	-	0.20	27.66	-	-
	Loan taken	-	-	-	13.50	-	-
	Repayment of loan taken	-	-	-	15.29	3.50	-
	Interest income on loan given	-	-	-	0.20	-	-
	Interest on on loan taken	-	-	-	-	-	0.47
	Interest on on loan given outstanding	-	-	-	0.20	-	-
	Loans taken outstanding as at the year end	-	-	-	-	(1.79)	5.29
	Receivable / (payable) as at the year end	-	-	-	(0.24)	-	-
Mr. Nilesh Parekh (HUF)	Loan given	-	-	-	7.40	-	1.01
	Repayment of loan given	-	-	0.34	7.40	-	1.01
	Repayment of loan taken	-	-	-	1.10	-	-
	Interest income on loan given	-	-	-	0.34	-	-
	Net Transaction with MCX division	-	-	-	(0.29)	-	-
	Loans given outstanding as at the year end	-	-	-	0.34	-	-
	Receivable / (payable) as at the year end	-	-	-	(0.29)	-	-
Mr. Umesh Parekh (HUF)	Net Transaction with MCX division	-	-	-	(0.32)	-	-
	Loan given	-	-	-	1.25	-	-
	Repayment of loan given	-	-	1.14	26.55	-	-
	Share application money	-	-	-	-	-	2.00
	Interest income on loan given	-	-	-	1.14	-	-
	Loans given outstanding as at the year end	-	-	-	1.14	-	-
	Receivable / (payable) as at the year end	-	-	-	(0.32)	-	-
Mr. Kamlesh Parekh	Loan given	-	-	-	-	-	2.67
	Loans given outstanding as at the year end	-	-	-	-	-	2.67
Mr. Kamlesh Parekh (HUF)	Net Transaction with MCX division	-	-	-	2.11	-	-
	Repayment of loan given	-	-	0.59	0.40	-	-
	Receivable / (payable) as at the year end	-	-	-	(0.59)	-	-

Annexure XVI

Statement of Segment disclosures, as restated

Segment information in accordance with Accounting Standard 17 prescribed by Companies (Accounting Standard) Rules, 2006.

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

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

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

(Amount in Rupees Lakhs)

Sl No.	Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
(a)	**Revenue (net of excise duty and cess)**						
	External Sales						
	Domestic	6,702.79	1,662.40	7,472.77	10,933.72	9.46	409.51
	Export	123,311.45	213,187.72	119,907.89	71,470.03	12,536.02	5,202.71
	Total External sales (A)	**130,014.24**	**214,850.12**	**127,380.66**	**82,403.75**	**12,545.48**	**5,612.22**
	Job work Charges						
	Domestic	57.04	132.06	48.73	45.12	25.43	20.92
	Export	-	16.94	-	-	-	-
	Total Job work charges (B)	**57.04**	**149.00**	**48.73**	**45.12**	**25.43**	**20.92**
	Other Income						
	Domestic	153.27	110.93	2.00	0.72	-	-
	Export	64.45	2,789.38	397.41	98.92	138.97	-
	Total Other Income (C)	**217.72**	**2,900.31**	**399.41**	**99.64**	**138.97**	**-**
	Interest Income (D)	2,291.15	3,920.52	473.84	174.96	4.71	4.73
	Profit on commodity transaction (E)	-	-	-	1.34	-	-
	Total Revenue (F=A+B+C+D+E)	**132,580.15**	**221,819.95**	**128,302.64**	**82,724.81**	**12,714.59**	**5,637.87**
	Add / (Less): Adjustments (G)	-	-	-	9.46	1.22	14.46
	Total revenue after adjustments (H = F+G)	**132,580.15**	**221,819.95**	**128,302.64**	**82,734.27**	**12,715.81**	**5,652.33**

(Amount in Rupees Lakhs)

Sl No.	Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
(b)	**Segment results**						
	Domestic	450.57	252.14	169.47	672.33	24.49	27.00
	Export	9,517.09	16,686.53	10,678.50	5,676.50	1,208.05	161.14
	Total Segment results (A)	**9,967.66**	**16,938.67**	**10,847.97**	**6,348.83**	**1,232.54**	**188.14**
	Less: Unallocable administrative expenses (B)	507.64	891.23	541.90	220.76	7.31	44.73
	Less: Interest Expenses (C)	3,618.07	6,623.59	1,944.50	885.76	97.96	90.67
	Add: Interest Income (D)	2,291.15	3,920.52	473.84	-	-	4.73
	Profit before tax and adjustment (E = A-B-C+D)	**8,133.09**	**13,344.37**	**8,835.41**	**5,242.31**	**1,127.27**	**57.47**
	Taxation (F)	137.19	99.30	117.72	158.26	8.28	4.50
	Profit after tax and before adjustment (G = E-F)	7,995.90	13,245.07	8,717.69	5,084.05	1,118.99	52.97
	Add / (Less) : Adjustments (H)	-	-	373.58	(356.19)	(4.56)	1.19
	Current tax impact of adjustment (I)	-	-	-	(2.28)	(1.46)	7.91
	Deferred tax impact of adjustment (J)	-	-	125.75	(123.08)	(0.62)	(0.80)
	Total of adjustments after tax impact (K = H-I-J)	**-**	**-**	**247.83**	**(230.83)**	**(2.48)**	**(5.92)**
	Net profit as restated (L = G+K)	**7,995.90**	**13,245.07**	**8,965.52**	**4,853.22**	**1,116.51**	**47.05**
(c)	**Segment Assets**						
	Domestic	4,595.90	3,629.04	4,265.93	3,168.38	971.72	583.17
	Export	91,613.59	61,986.06	25,413.85	12,366.41	2,021.30	444.31
	Total Segment Assets (A)	**96,209.49**	**65,615.10**	**29,679.78**	**15,534.79**	**2,993.02**	**1,027.48**
	Add: Unallocable Assets	16,644.34	22,305.48	20,511.62	4,537.82	700.76	156.58
	Add: Deferred Tax	265.49	165.11	155.16	164.80	1.56	0.70
	Add: Advance Income Tax (including tax deducted at source)	140.33	279.77	-	-	-	-
	Total Assets	**113,259.66**	**88,365.46**	**50,346.56**	**20,217.41**	**3,695.34**	**1,184.76**

(Amount in Rupees Lakhs)

Sl No.	Particulars	HY 30.09.2009	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
(d)	**Segment Liabilities**						
	Domestic	1,298.83	646.3	1,185.17	522.68	153.63	105.77
	Export	25,841.15	9,999.40	9,640.22	-	1,005.22	231.14
	Total Segment liabilities (A)	**27,139.98**	**10,645.70**	**10,825.39**	**522.68**	**1,158.85**	**336.91**
	Add: Unallocable Liabilities	400.26	2,598.79	242.33	8,061.34	34.22	190.70
	Add: Loan	37,652.32	35,067.10	12,175.00	1,136.05	1,125.45	492.66
	Add: Provision for income tax (net)	-	-	32.77	159.61	2.07	4.06
	Add: Provision for fringe benefit tax (net)	-	0.46	12.96	5.81	1.86	-
	Add: Proposed Dividend	-	283.98	250.84	-	-	-
	Add: Provision for Wealth Tax	1.29	1.29	0.54	0.33	-	-
	Total liabilities	**65,193.85**	**48,597.32**	**23,539.83**	**9,885.82**	**2,322.94**	**1,024.33**
(e)	**Cost incurred to acquire fixed assets**						
	Domestic	-	-	-	-	-	-
	Export	114.98	92.47	22.7	95.62	-	35.00
	Total (A)	**114.98**	**92.47**	**22.7**	**95.62**	**-**	**35.00**
	Add: Unallocated cost to acquire fixed assets	27.10	225.24	122.23	110.63	4.92	0.57
	Total (B)	**142.08**	**317.71**	**144.93**	**206.25**	**4.92**	**35.57**
(f)	**Depreciation/amortisation**						
	Domestic	-	0.02	0.06	-	-	0.04
	Export	15.95	34.06	7.45	11.67	4.18	4.09
	Total (A)	**15.95**	**34.08**	**7.51**	**11.67**	**4.18**	**4.12**
	Add: Unallocated depreciation/amortisation	84.25	149.7	149.8	122.52	2.16	1.83
	Less: Adjustment	-	-	-	(4.44)	1.85	1.74
	Total	**100.20**	**183.78**	**157.31**	**129.76**	**8.19**	**7.69**

Statement of Segment disclosures, as restated (continued)

(Amount in Rupees Lakhs)

Sl No.	Particulars	HY 2010	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
(g)	**Significant non cash expenses other than depreciation and amortisation**						
	Domestic	-	-	-	8.69	-	-
	Export	-	-	0.68	388.41	-	-
	Total	**-**	**-**	**0.68**	**397.10**	**-**	**-**
	Secondary Disclosure						
1	Carrying amount of segment assets by location of assets						
	Domestic	84,429.14	72,130.53	38,228.47	9,268.39	1,674.04	46.59
	Export	28,830.52	16,234.93	12,118.09	10,949.02	2,021.30	1,138.17
	Total	**113,259.66**	**88,365.46**	**50,346.56**	**20,217.41**	**3,695.34**	**1,184.76**
2	Cost incurred to acquire segment fixed assets by location of assets						
	Domestic	142.08	317.71	144.93	206.25	4.92	35.57
	Export	-	-	-	-	-	-
	Total	**142.08**	**317.71**	**144.93**	**206.25**	**4.92**	**35.57**

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Report by the Auditors
The Board of Directors
Shree Ganesh Jewellery House Limited
25/A Camac Street, Suit: 413;
Vardaan Market
Kolkata – 700 016
West Bengal, India

1. We have examined the attached consolidated financial information comprising consolidated summary statement of profits and losses, as restated, consolidated summary statement of assets and liabilities, as restated, consolidated statement of cash flows, as restated and other consolidated financial information as explained in paragraph 3(f) below of Shree Ganesh Jewellery House Limited ('SGJHL' or 'the Company') (formerly known as Shree Ganesh Jewellery House Private Limited) and its subsidiaries, Gokul Jewellery House Private Limited ('GJHPL'), J T Metals & Minerals Exports Private Limited ('JTMMEPL'), Bajoria Apartments Private Limited (BAPL), Chaturbujh Jewellery House Private Limited ('CJHPL'), Gold Art Jewellers Private Limited ('GAJPL'), Safal Jewellers Private Limited('SJPL'), Shrishti Jewel Art Private Limited ('SJAPL'), Smart Gold Jewel House Private Limited ('SGJHPL2'), Samukh Exim Private Limited ('SEPL'), Galaxy Jewel Art Private Limited ('GJAPL'), Mudrika Jewels Private Limited ('MJPL'), Subarna Jewels Private Limited ('SJPL2'), Easy Fit Jewellery Pvt. Ltd. ('EFJPL') and Shree Ganesh Jewellery House (Singapore) Pte Ltd ('SGJHPL- Singapore') and interest in its associate, Damgan Retail Jewellery Private Limited ("DRJPL') for the financial years ended 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009 with the annexures and notes thereto, as approved by the Board of Directors of the Company, prepared in terms of requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India, Issue of Capital and Disclosure Requirement (ICDR) Regulations, 2009 ('SEBI ICDR') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 2 February 2010 in connection with the proposed issue of equity shares of the Company in India.

2. The above financial information have been prepared by the management from the financial statements for the year ended 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009. The audit of SGJHL for the year ended 31 March 2005 and 31 March 2006 was conducted by previous auditor, Sharad Mohata & Co., Chartered Accountants and reliance has been placed on the financial statements audited by them.

   The audit of subsidiaries has been done by other auditors as listed below. Further, the restated financial statement of subsidiaries has been prepared by management and reviewed by the auditors as mentioned below:

Names of the Subsidiaries/ Associate	**Six months ended 30 September 2009 (Audited by)**	**2008-2009 (Audited by)**	**2007-2008 (Audited by)**	**Restated accounts for the year ended 2007-2008, 2008-2009 and six months period ended 30 September 2009, reviewed by**
GJHPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
JTMMEPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
BAPL	S. Khaitan & Co	S. Khaitan & Co	Khandelwal Prem & Associates	S. Khaitan & Co
CJHPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co

Names of the Subsidiaries/ Associate	Six months ended 30 September 2009 (Audited by)	2008-2009 (Audited by)	2007-2008 (Audited by)	Restated accounts for the year ended 2007-2008, 2008-2009 and six months period ended 30 September 2009, reviewed by
GAJPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
SJPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
SJAPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
SGJHPL2	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
SEPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
GJAPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
MJPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
SJPL2	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
EFJPL	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co	S. Khaitan & Co
DRJPL (associate)	BRS & Associates	BRS & Associates	BRS & Associates	B S R & Associates
SGJHPL-Singapore (subsidiary)	James Raj & Co.	James Raj & Co.	James Raj & Co.	B S R & Associates

Accordingly, our examination of consolidated restated financial statement of the Company for the year ended 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009 are solely based on the financial statement of subsidiaries audited and restated by the respective auditors as mentioned above, prepared in terms of requirements of the Act, SEBI ICDR and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India, as amended from time to time. The Consolidated financial information for the financial years ended 31 March 2005, 31 March 2006 and 31 March 2007 have not been prepared by the management, as the Company did not have any subsidiaries during these years.

For the purposes of consolidated financial information of the Company, its subsidiaries and interest in its associate, the consolidation has been done from the date they became the subsidiaries / associate of the Company. As stated above, the restated financial statements of the subsidiaries were examined by their respective auditor for aligning them as per accounting policies followed by SGJHL for the six months period ended 30 September 2009 except SGJHPL – Singapore, of which restatement has been examined by us. Reliance has been placed on such restated financials for the purpose of consolidation as approved by the Board of Directors in the board meeting held on 19 February 2010.

3. Attention is drawn to Note no iii (e) to note 2(4) on Annexure IV to the financial statements regarding the Scheme of Amalgamation of eleven subsidiaries of the Company, with Easy Fit Jewellery Private Limited, also a subsidiary of the Company. The application for amalgamation under sections 391(1) and 393 of the Companies Act, 1956 ('the Act') was filed on 5 May 2009 before the Hon'ble High Court at Kolkata and was approved by the Hon'ble High Court vide its order dated 28 October 2009. However, till the date of this report the certified copy of the order approving the scheme has not been available in writing and therefore has not been filed with the Registrar of Companies (ROC). On the basis that the scheme is not legally effective until the filing of the certified copy of the order with the ROC, the Company has prepared the attached financial statements without considering the impact of the scheme of amalgamation on the various items in the statements of assets and liabilities and statements of profit and loss. Disclosure has

been made of how these financial statements would be impacted once the scheme becomes effective retrospectively upon filing of the court order with the ROC.

4. In accordance with the requirements of Paragraph B of Part II of Schedule II to the Act, SEBI ICDR, and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India, as amended from time to time and in terms of our agreement agreed with you, we report that ;

   a. We have examined the attached consolidated summary statement of profits and losses, as restated, of the Company, along with the interest in its associate and subsidiaries DRJPL, GJHPL, JTMMEPL, BAPL, CJHPL, GAJPL, SJPL, SJAPL, SGJHPL2, SEPL, GJAPL, MJPL, SJPL2, EFJPL and SGJHPL - Singapore for the financial years ended 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009, as set out in Annexure I to this report. These are after making adjustment, more fully described in the notes appearing in Annexure IV to this report. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company and its subsidiaries for the relevant financial years.

   b. We have examined the attached consolidated summary statement of assets and liabilities, as restated, of the Company, along with the interest in its associate and subsidiaries, DRJPL, GJHPL, JTMMEPL, BAPL, CJHPL, GAJPL, SJPL, SJAPL, SGJHPL2, SEPL, GJAPL, MJPL, SJPL2, EFJPL and SGJHPL - Singapore as at 31 March 2008, 31 March 2009 and 30 September 2009, as set out in Annexure II to this report. These are after making adjustments, more fully described in the notes appearing in Annexure IV to this report. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company and its subsidiaries for the relevant financial years.

   c. We have examined the attached consolidated cash flow statement, as restated, of the Company, along with the interest in its its associate and subsidiaries, DRJPL, GJHPL, JTMMEPL, BAPL, CJHPL, GAJPL, SJPL, SJAPL, SGJHPL2, SEPL, GJAPL, MJPL, SJPL2, EFJPL and SGJHPL - Singapore for the financial years ended 31 March 2008, 31 March 2009 and for six months period ended 30 September 2009, as set out in Annexure V to this report. These are after making adjustments, more fully described in the notes appearing in Annexure IV to this report. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited financial statements of the Company and its subsidiaries for the relevant financial years.

   d. Based on the above and also as per reliance placed on financial statements of subsidiaries audited by other auditors, for respective years / periods, and also as per the reliance placed on the financial statements of SGJHL for the financial years ended 31 March 2005 and 31 March 2006 audited by the previous auditor, Sharad Mohata & Co. Chartered Accountants, we confirm that the consolidated restated financial information, prepared by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:

      i. the impact of correction of accounting policies / changes in accounting policies have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per changed / corrected accounting policy for all the reporting periods;

      ii. material amounts relating to previous years have been adjusted in the restated consolidated financial information in the respective financial years to which they relate;

      iii. qualifications in the auditors' report which require adjustments have been given effect to in the restated consolidated financial information in the respective financial years, except for qualifications in the auditors' report which do not require any corrective adjustments in the restated consolidated financial information as disclosed in Note 2 of Annexure IV; and

iv. there are no extraordinary items, which need to be disclosed separately in the restated consolidated financial information in the respective financial years;

e. We have also examined the following other consolidated financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company and its subsidiaries and the interest in its associate for the financial years ended 31 March 2008, 31 March 2009 and six months period ended 30 September 2009. In respect of the Company's subsidiaries for the respective year (as stated in paragraph 2 above) and financial statements of the Company for the financial year ended 31 March 2005 and 31 March 2006 audited by the previous auditor, Sharad Mohata & Co. Chartered Accountants have been relied upon by us.

i. Consolidated statement of dividends declared by the Company, for the financial years ended 31 March 2008, 31 March 2009 and six months period ended 30 September 2009, as appearing in Annexure VI to this report;

ii. Consolidated statement of secured and unsecured loans, as restated as at 31 March 2008, 31 March 2009 and 30 September 2009 and details of terms and conditions, including interest rates, principal terms of security and repayment terms of the loans outstanding as at 30 September 2009, as appearing in Annexure VII to this report;

iii. Statement of other income (for years where it exceeds 20 % of net profit before tax), as restated for the financial years ended 31 March 2008, 31 March 2009 and 30 September 2009 as appearing in Annexure VIII to this report, as per the consolidated summary statement of profit and loss, as restated;

iv. Consolidated statement of accounting ratios, for the financial years ended 31 March 2008, 31 March 2009 and six months period ended 30 September 2009, as appearing in Annexure IX to this report;

v. Capitalisation statement - Consolidated, as restated as at 30 September 2009, as appearing in Annexure X to this report;

vi. The "Break up of ageing schedule of sundry debtors - Consolidated" and "Break up of loans and advances - Consolidated", as restated (separately showing loans/advances to promoters/promoter group/group companies) as at 31 March 2008, 31 March 2009 and 30 September 2009, as appearing in Annexure XI and Annexure XII respectively, to this report;

vii. Consolidated statement of aggregate book value and market value of investments, as restated as at 31 March 2008, 31 March 2009 and 30 September 2009, as appearing in Annexure XIII to this report;

viii. Consolidated statement of related party disclosures for the financial years ended 31 March 2008, 31 March 2009 and six months period ended 30 September 2009 as per Accounting Standard 18 on Related Parties prescribed by the Companies (Accounting Standards) Rules, 2006, as appearing in Annexure XIV to this report; and

ix. Consolidated statement of segment reporting, as restated for the financial years ended 31 March 2008, 31 March 2009 and six months period ended 30 September 2009 as per Accounting Standard 17 on Segment Reporting prescribed by the Companies (Accounting Standards) Rules, 2006, as appearing in Annexure XV to this report.

x. Read with paragraph 3 above, in our opinion,. the above consolidated financial information of the Company, along with its subsidiaries and the interest in its associate, read with significant accounting policies appearing in Annexure III to this report, after making adjustments as considered appropriate and as set out in Annexure IV to this report, has been prepared in accordance with Paragraph B, Part II of Schedule II of the Act, the SEBI ICDR, and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India, as amended from time to time.

5. Our report is intended solely for the use of management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our written consent.

For B S R & Associates
Chartered Accountants

Vikram Advani
Partner
Membership No: 091765

Place : Gurgaon
Date : 19 February 2010

Annexure I

Consolidated summary statement of profit and loss, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries

(Amounts Rupees in Lakhs)

Particulars	**HY2010**	**FY 2009**	**FY 2008**
Income			
Sales			
- Of products manufactured by the Company	133,599.95	229,099.80	143,382.91
- Of products traded by the Company	8,380.27	56,788.07	2,538.18
Total	**141,980.22**	**285,887.87**	**145,921.09**
Service income	57.04	121.21	47.63
Other income	2,669.94	8,245.78	1,335.66
Total (A)	**144,707.20**	**294,254.86**	**147,304.38**
Expenditure			
Raw materials consumed	122,833.72	213,364.60	133,589.99
Purchases of traded goods	8,467.29	57,821.02	3,070.92
(Increase) / Decrease in inventories	(945.07)	(1,031.56)	(3,630.61)
Staff costs	540.59	1,136.67	874.04
Other manufacturing expenses	97.10	135.51	339.24
Administration expenses	1,237.58	1,236.71	925.79
Selling and distribution expenses	116.60	403.80	353.05
Total (B)	**132,347.81**	**273,066.75**	**135,522.42**
Profit before interest, depreciation, tax and adjustments (C) =(A) – (B)	**12,359.39**	**21,188.11**	**11,781.96**
Interest and finance charges	4,021.46	7,455.24	2,600.23
Depreciation / Amortisation	109.59	199.17	162.43
Total (D)	**4,131.05**	**7,654.41**	**2,762.66**
Profit before tax and adjustments (E) =(C) – (D)	**8,228.34**	**13,533.70**	**9,019.30**
Provision for tax			
- Current tax **(F)**	198.46	172.41	270.71
- Deferred tax charge/(release) **(G)**	(34.30)	(10.16)	(116.88)
- Wealth Tax **(H)**	-	0.75	0.21
- Fringe Benefit Tax **(I)**	-	9.26	13.51
Profit after tax and before adjustments			
(J) = (E) -(F) - (G) -(H)- (I)	**8,064.18**	**13,361.44**	**8,851.75**
Share of loss from associate (K)	-	-	0.11
Adjustments (Refer Note 1 of Annexure IV) (L)	9.01	(2.47)	351.64

(Amount Rupees in Lakhs)

Particulars	HY 2010	FY 2009	FY 2008
Deferred tax impact of adjustments (Refer Note 1 of Annexure IV) (M)	-	-	125.75
[charge/(release)]			
Total of adjustments after tax impact (N) = (L) -(M)	**9.01**	**(2.47)**	**225.89**
Net Profit as restated (O) - (K) + (N)	**8,073.19**	**13,358.97**	**9,077.53**
Share of profit of minorities	4.97	17.17	10.48
Profit/(Loss) brought forward from previous year	27,759.85	14,702.03	5,885.82
Profit balance available for appropriation	**35,828.07**	**28,043.83**	**14,952.87**
Appropriations			
Dividend	-	242.73	214.40
Dividend tax	-	41.25	36.44
Balance carried forward to Balance Sheet	**35,828.07**	**27,759.85**	**14,702.03**

Note: To be read together with summary of significant accounting policies (Annexure III) and Notes to consolidated summary statement of profit and loss, as restated, and consolidated summary statement of assets and liabilities, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries (Annexure IV).

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure II

Consolidated summary statement of assets and liabilities, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries

(Amount Rupees in Lakhs)

	Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
A.	**Fixed Assets**			
	(i) Gross Block	1,692.12	1,564.23	1,128.85
	Less : Accumulated depreciation	407.99	330.73	193.94
	Net Block	1,284.13	1,233.50	934.91
	(ii) Capital Work In Progress / advances	556.85	186.10	271.63
	Net block	**1,840.98**	**1,419.60**	**1,206.54**
B.	**Intangible assets (refer Note 3 of Annexure IV)**			
	(net of amortisation)	129.39	158.17	215.75
C.	**Investments**	**23.71**	**25.12**	**39.84**
D.	**Deferred Tax Assets (net)**	**267.86**	**166.00**	**155.39**
E.	**Current assets, loans and advances**			
	(i) Inventories	12,880.91	7,858.23	7,811.81
	(ii) Sundry Debtors	33,130.22	20,823.20	16,818.08
	(iii) Cash & Bank Balances*	68,405.30	59,842.88	30,723.67
	(iv) Loans and advances	6,561.84	9,854.26	2,158.41
	(v) Other current asset	662.16	142.58	17.47
		121,640.43	98,521.15	57,529.44
	A+B+C+D+E	**123,902.37**	**100,290.04**	**59,146.96**
F.	**Minority Interest**	325.78	320.83	303.66
G.	**Liabilities & Provisions**			
	(i) Secured Loans	37,654.23	34,506.50	10,828.83
	(ii) Unsecured Loans	2,154.91	2,716.29	2,656.69
	(iii) Current Liabilities & Provisions	32,408.75	19,758.03	15,427.39
		72,217.89	56,980.82	28,912.91
	F+G	**72,543.67**	**57,301.65**	**29,216.57**
	Net Worth (A+B+C+D+E-F-G)	**51,358.70**	**42,988.39**	**29,930.39**

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
G. Represented by :			
Share Capital			
- Equity Share Capital	4,854.60	2,143.97	2,143.97
- Preference Share Capital	-	8,000.00	8,000.00
	4,854.60	10,143.97	10,143.97
Reserves and Surplus			
- Securities premium account	7,208.44^	1,684.54	1,684.54#
- Capital reserve**	3,022.28	3,022.28	3,022.28
- Amalgamation reserve	325.59	325.59	325.59
- Translation reserve	0.25	0.25	0.07
- General reserve	119.47	51.91	51.91
- Profit and loss account	35,828.07	27,759.85	14,702.03
	46,504.10	32,844.42	19,786.42
Net worth	**51,358.70**	**42,988.39**	**29,930.39**
* includes margin money deposit on account of security deposit against borrowings which are not readily available for other purposes.	64,937.30	56,807.58	27,919.04

*** Capital reserve represent reserve arising on consolidation as per Accounting Standard 21 on "Consolidated financial Statements", as prescribed by the Companies (Accounting Standards) Rules, 2006.*

^ Refer point No. 3(a), (b) and (c) of Note 4 of Annexure IV for adjustments against securities premium.

 # Refer point No. 5(a) of Note 4 of Annexure IV for share issue expenses utilised against securities premium.

Note:

To be read together with summary of significant accounting policies (Annexure III) and Notes to consolidated summary statement of profit and loss, as restated, and consolidated summary statement of assets and liabilities, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries (Annexure IV).

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure III

Significant accounting policies for the year ended 30 September 2009

(a) Principles of Consolidation

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

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

Name	Country of Incorporation	% of voting power as at 31 March 2008, 31 March 2009 and 30 September 2009	Date of subsidiary interest acquired by SGJHL
Bajoria Apartments Private Limited	India	100	21 June 2007
Chaturbujh Jewellery House Private Limited	India	100	22 June 2007
Easy Fit Jewellery Private Limited	India	100	04 February 2008
Galaxy Jewel Art Private Limited	India	100	27 June 2007
Gokul Jewellery House Private Limited	India	51.45	25 June 2007
Gold Art Jewellers Private Limited	India	100	26 June 2007
J.T.Metals and Minerals Exports Private Limited	India	100	16 May 2007
Mudrika Jewels Private Limited	India	100	27 June 2007
Safal Jewellers Private Limited	India	100	29 June 2007
Samukh Exim Private Limited	India	100	27 June 2007
Shree Ganesh Jewellery House (Singapore) pte Limited	Singapore	100	05 October 2007
Shrishti Jewel Art Private Limited	India	100	27 June 2007
Smart Gold Jewel House Private Limited	India	100	27 June 2007
Subarna Jewels Private Limited	India	100	27 June 2007

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

The associate company considered in the financial statements is as follows :

Name	Country of Incorporation	% of ownership interest as at 31 March 2008, 31 March 2009 and 30 September 2009
Damgan Retail Jewellery Private Limited	India	33%

As the shares in associate were acquired at par value on the date of incorporation (30 October 2006), the carrying value of the investment does not include any goodwill / capital reserve. The Company's share of profit/losses in associate thereafter has been adjusted against profit and loss account and carrying value of investments in terms of AS-23. Further, from the year ended 31 March 2008 the Company has recognized losses to the extent of the investment value and the investment is reported as nil.

(b) Basis of accounting

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

(c) Use of estimates

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

(d) Fixed Assets

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

(e) Borrowing Cost

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

(f) Depreciation / Amortisation

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

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

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

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

(g) Impairment of fixed assets

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

(h) Investments

Long term investments are stated at cost less amount written off, where there is a diminution in value other than temporary.

Current Investment are valued at lower of cost and fair value.

(i) Inventories

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

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

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

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

(j) Revenue recognition

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

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

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

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

Interest is recognised on time proportion basis.

(k) Employee benefits

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

Short Term Benefits

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

Post employment benefits

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

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

Other Long term benefits

Cost of long term benefit by way of accumulating compensated absences that are expected to be availed after a period of 12 months from the year/period - end are recognised when the employees render the service that increases their entitlement to future compensated absences. The Company determines the liability for such accumulated leaves on the basis of actuarial valuation using the projected unit credit method as at the year/period end. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(l) Operating Leases

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

(m) Foreign exchange transactions

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

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

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

(n) Taxation

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

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

The Company's units, located in Special Economic Zone are exempted from income tax (current tax) till 31 March 2011 under the provisions of sections 10A and till 31 March 2018 under the provisions of section 10AA of the Income Tax Act, 1961. Deferred tax pertaining to the above units are recognised on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods beyond the periods during which the respective units are exempt from income tax as aforesaid. Deferred tax assets on unabsorbed depreciation and / or carry forward of losses are recognised only if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess reliability thereof.

(o) Provisions and contingent liabilities

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

(p) Earnings Per Share

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

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure IV

Notes to consolidated summary statement of profit and loss, as restated (Annexure I) and consolidated summary statement of assets and liabilities, as restated (Annexure II) of Shree Ganesh Jewellery House Limited and its subsidiaries.

Below mentioned is the summary of results of adjustments / rectifications made in the Company's audited accounts of the respective years and its impact on profits and losses and assets and liabilities.

(Amounts Rupees in Lakhs)

Adjustments [(income)/expense] in Statement of profit and loss arising out of:	HY 2010	FY 2009	FY 2008
A. Changes in accounting policies/ correction of accounting policies (refer Note A)			
(b) Accounting for diminution in value of current investment (refer Note Annexure IV Note A-3)	9.01	(4.90)	(19.51)
B. Audit Qualifications (refer Note B) #			
(a) Debtors provisioning (refer Annexure IV Note B).	-	-	373.58
Effect of adjustments in B on tax ##			
(a) Deferred tax (charge)/ release	-	-	(125.75)
C. Prior period items (refer Note C) ##			
(a) Prior period expenses (refer Annexure IV Note C)	-	2.43	(2.43)
Total of adjustments after tax impact	9.01	(2.47)	225.89
D. Regroupings (refer Note D) ###			
(a) Sales	-	-	(168.24)
(b) Other income	-	-	263.56
(c) Material and manufacturing expenses	-	(35.17)	(57.81)
(d) Raw material consumed	-	-	(19.10)
(e) Administrative Expenses	-	-	(129.05)
(f) Interest and finance charges	-	35.17	301.28

 # Figures in brackets represent decrease in the profits.

Figures in brackets represent charge to the Profit and Loss Account.

Figures in brackets represent amounts being regrouped from the particular line item.

Note: For adjustment made in subsidiaries, tax impact of adjustment has not been considered.

(Amounts Rupees in Lakhs)

	Cumulative effect of above [increase / (decrease)] in Statement of assets and liabilities:	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
A	**Changes in accounting policies/ correction of accounting policies (refer Note A)**			
	(a) Profit and loss account	(14.75)	(23.76)	(18.86)
	(b) General reserve	(0.98)	(0.98)	(0.98)
	(c) Provision	0.33	0.33	0.33
	(d) Current liabilities	(6,937.08)	(9,033.94)	(9,323.29)
	(e) Investment	(15.40)	(24.41)	(19.51)
	(f) Sundry debtors	(6,937.08)	(9,033.94)	(9,323.29)
B	**Prior period items (refer Note C)**			
	(a) Reserves and surplus	-	-	(2.43)
	(b) Prior period expenses	-	-	2.43
C	**Regroupings (refer Note D)**			
	(a) Loans and advances	-	(395.78)	(43.08)
	(b) Other current asset	-	142.58	17.47
	(c) Secured Loan	-	-	1,320.16
	(d) Unsecured loan	-	(286.56)	(786.40)
	(e) Current Liabilities	-	165.01	(398.51)
	(f) Provisions	-	(131.65)	(160.86)

Note: Figures in brackets represent amount being regrouped from the particular line item.

Notes:

A. Changes in accounting policies / correction of incorrect accounting policies

1. Provision for gratuity and leave encashment

   The Company has adopted Accounting Standard 15 "Employee Benefits" (AS 15) prescribed by Companies (Accounting Standards) Rules, 2006, for computing provision for gratuity and provision for leave encashment for the year ended 31 March 2008. Accordingly, provision for gratuity and provision for leave encashment has been recomputed on the basis of AS 15 for the years ended 31 March 2008 and 31 March 2009.Consequently the adjustments have been made in the consolidated summary statement of profit and loss, as restated and the consolidated summary statement of assets and liabilities, as restated for the years ended 31 March 2008 and 31 March 2009. Further, for the purposes of consolidated summary statement of profit and loss, as restated and the consolidated summary statement of assets and liabilities, as restated for the year ended 31 March 2008, an adjustment has been made in the opening reserves as at 1 April 2007 in accordance with the transitional provisions of AS 15.

2. Set off of Acceptances and Sundry Debtors for disclosure purpose

   The subsidiaries of the Company have followed the practice of disclosing the gross amount of sundry debtors and the amount of monies received from the banks against bills on the liabilities with respect to bills discounted. The parent company has adopted the practice of disclosing bills discounted as contingent liabilities. In the consolidated summary statement of assets and liabilities, as restated for the years ended 31 March 2008, 31 March 2009 and six months period ended 30 September 2009, sundry debtors and current liabilities and provisions of the subsidiaries have accordingly been netted off to the extent the same represents bills discounted. These have now been disclosed as contingent liabilities.

3. Accounting for Diminution in value of Carrying amount of Current Investment

   In the books of subsidiaries current Investment were shown at cost although there is diminution in the value of investment. The valuation of quoted current investments is made at lower of cost and fair value as at 31 March 2008, 31 March 2009 and 30 September 2009. Investment has accordingly shown net of provision for diminution in the value of investment.

B. Audit qualification

Provision for bad and doubtful debts

The statutory auditors had qualified their opinion on the financial statements for the year ended 31 March 2007 of Shree Ganesh Jewellery House Limited as follows:

'No provision has been recognized in these financial statements in respect of debts aggregating Rs.373.58 lacs outstanding for more than two years from a customer that has been referred to the Board for Industrial and Financial Reconstruction (BIFR). Pending completion of the proceedings undertaken by the BIFR in this regard, we are unable to form an opinion regarding the extent of recoverability of the aforesaid amount and the consequent impact, if any, on the profit before tax for the year.'

Accordingly, adjustments have been made in the summary statement of profit and loss, as restated and summary statement of assets and liabilities, as restated for the year ended 31 March 2007 with consequential impact on the year ended 31 March 2008 so as to adjust the above qualification.

C. Prior period items

In the financial statements of subsidiaries certain expenses relating to the previous year has been disclosed as prior period item for the year ended 31 March 2009. For the purposes of summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated, such prior period item has been appropriately adjusted in the years ended 31 March 2008 and 31 March 2009.

D. Regroupings

Figures have been regrouped to ensure consistency of presentation. The following significant regroupings have been made in the summary statement of profit and loss, as restated and the summary statement of assets and liabilities, as restated:

1. In the financial statements of subsidiaries for year ended 31 March 2008 and 31 March 2009, interest income was netted off against the interest expenses. However, in the financial of Shree Ganesh Jewellery House Limited, interest income has been included under 'Other Income'. The interest income in the subsidiaries for the years ending 31 March 2008 and 31 March 2009 have been accordingly regrouped under 'Other Income' in the consolidated summary statement of profits and loss, as restated for the years ended 31 March 2008 and 31 March 2009.

2. In the financial statements of the subsidiaries, interest expenses were included under administration expenses. These have been disclosed as interest and finance charges in the financial statements of Shree Ganesh Jewellery House Limited. In the consolidated summary statement of profits and loss, as restated for the year ended 31 March 2008 and 31 March 2009, such expenses have been regrouped and disclosed accordingly under Interest and finance charges.

3. For the year ended 31 March 2008, certain interest charges pertaining to gold procured on loan had been included under 'cost of raw materials and stones' such charges have been regrouped under interest and finance charges in the year ended 31 March 2009. In the consolidated summary statement of profits and loss, as restated for the 31 March 2008 such expenses have been regrouped and disclosed accordingly under Interest and bank charges.

4. In the financial statements of subsidiaries for year ended 31 March 2008 and 31 March 2009 provision for taxation and advance tax were shown separately under provisions and loans and advances respectively These same have been netted off in the summary consolidated statement of assets and liabilities, as restated for the years ended 31 March 2008 and 31 March 2009.

5. Interest accrued but not due on fixed deposit has been regrouped from "Loans and Advances" to "Other current asset" for the year ended 31 March 2008 and 31 March 2009.

6. In one of the subsidiaries of the Company, amount outstanding as trade payable was disclosed under unsecured loan, as at 31 March 2008 and 31 March 2009 the same has been regrouped to trade payable. Further, receivable and payable from same party were shown as gross, which has now being netted off.

7. Amounts due on account of gold purchased on loan were disclosed as current liabilities upto 31 March 2008. These have been considered as secured loans as at 30 September 2009 and 31 March 2009. Accordingly amounts due on account of gold purchased on loan have been accordingly regrouped for the year ended 31 March 2009 in the consolidated summary statement of assets and liabilities as restated for the respective years.

E. Taxation

Provision for taxation (income tax and deferred tax) for the respective years has been recomputed on the above adjusted profits on the basis of the rates applicable to the respective years.

2. Other audit qualifications, which do not require any corrective adjustment in the financial information, are as follows:

Shree Ganesh Jewellery House Limited

Financial year ended 31 March 2009

(a) There were few delays in a certain cases in depositing undisputed statutory dues.

(b) Following Sales Tax and Income Tax dues have not been deposited with the appropriate authorities on account of dispute:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act.	Claim of export sales rejected by Assessing Authority	1.08	2003-2004	Assistant Commissioner (Appeals), Kolkata
Income tax Act, 1961	Various matters arising on Income tax proceedings	167.66	2004-2005 / 2005-2006	CIT (Appeals) / Assessing Officer

(c) The Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

Financial year ended 31 March 2008

(a) Internal control procedures with respect to the purchase of inventories need to be further strengthened in order to make them commensurate with the size of the Company and the nature of its business.

(b) Amounts deducted/accrued in respect of, Employee State Insurance, Provident fund, Income-tax and Professional tax have not been regularly deposited with the appropriate authorities and there have been delays in a number of cases.

(c) Professional tax dues in arrears as at 31 March 2008 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
West Bengal Professional Tax Act	Professional tax	0.09	2007-08	21st of the subsequent month after accrual	15 April 2008

(d) Following Sales Tax and Income Tax dues have not been deposited with the appropriate authorities on account of dispute:

Name of the statute	**Nature of the dues**	**Amount (Rs. in Lakhs)**	**Period to which the amount relates**	**Forum where dispute is pending**
West Bengal Sales Tax Act	Claim of export sales rejected by Assessing Authority	40.54	2003-2004	Assistant Commissioner (Appeals), Kolkata
Indian Income tax Act, 1961	Disallowance of expenses	10.19	2004-05	Rectification petition u/s 154 pending before the Income tax officer.

(e) The Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

** * Report under Companies (Auditor's Report) Order 2003 was not issued for the six months period ended 30 September 2009.*

Damgan Retail Jewellery Private Limited (Associate)

1) Six months ended 30 September 2009

During the financial year 2008-09 (from December 2008), the Company has completely discontinued business operations, rented premises was handed over and investments in fixed assets being fixtures and installations in rented premises which was not capable of being removed were written off. Investments in moveable assets were sold to the holding company and stock which was purchased from holding company was also returned in the financial year 2008-09. In view of the stated disposal of assets, stock position nullified and there being uncertainty over continuing of any business activity as stands of today shows that presently there in uncertainty that Company would be able to continue as a going concern.

2) Financial Year ended 31 March 2009

Damgan Retail Jewellery Private Limited, has discontinued business operations from December 2008. Investments in fixed assets being fixtures and installation having book value of Rs. 23.74 lakhs in rented premises were written off. Investments in movable assets having book value are sold to the holding company at loss of Rs. 2.73 lakhs. Stock which was purchased from the holding company is also returned. In view of disposal of assets, stock position nil and there being uncertainty over continuing of any business activity there is uncertainty as to whether the Company would be able to continue as a going concern.

3) Financial Year ended 31 March 2008

Damgan Retail Jewellery Private Limited has discontinued business operations from December 2008. Investments in fixed assets being fixtures and installation having book value of Rs. Rs. 23.74 lakhs in rented premises were written off. Investments in movable assets having book value are sold to the holding company at loss of Rs. 2.73.lacs. Stock which was purchased from the holding company is also returned. In view of disposal of assets, stock position nil and there being uncertainty over continuing of any business activity there is uncertainty as to whether the Company would be able to continue as a going concern.

3. Goodwill / Capital reserve on consolidation as on 30 September 2009, 31 March 2009 and 31 March 2008 comprises the following (refer Note 'a' on Annexure III):

(Amount Rupees in lakhs)

Name of the Subsidiary	Goodwill	Capital reserve
Bajoria Apartments Private Limited	-	5.21
Charturbujh Jewellery House Private Limited	-	748.61
Easy Fit Jewellery Private Limited	39.24	-
Galaxy Jewel Art Private Limited	0.48	-
Gokul Jewellery House Private Limited*	-	282.21
Gold Art Jewellers Private Limited	-	637.69
J T Metals & Minerals Exports Private Limited	-	441.07
Mudrika Jewels Private Limited	0.73	-
Safal Jewellers Private Limited	-	907.49
Samukh Exim Private Limited	0.63	-
Shree Ganesh Jewellery House (Singapore) Pte. Ltd.	-	-
Shrishti Jewel Art Private Limited	0.46	-
Smart Gold Jewel House Private Limited	0.73	-
Subarna Jewels Private Limited	0.75	-
	43.03	**3,022.28**

** Net of minority interest as at investment date amounting to Rs. 293.17.*

4. Other Significant notes (based on audited financial statements) and changes in the business of the Company during the last two financial years

Shree Ganesh Jewellery House Limited ('the Company') formerly Shree Ganesh Jewellery House Private Limited, was incorporated in 2002. The Company is engaged in the business of manufacture and sale of handcrafted gold jewellery, diamond and studded jewellery. The name of the Company changed to Shree Ganesh Jewellery House Limited on conversion to public limited company with effect from 14 August 2007.

a. Contingent Liabilities - Consolidated

(Amount Rupees in Lakhs)

Particulars	As at 30 Sep 2009	As at 31 March 2009	As at 31 March 2008
Corporate Guarantees	6,500.00	6,000.00	6,000.00
Bills Discounted	74,565.39	63,180.25	36,300.63
Claims against the Company in respect of Income Tax/ Sales Tax matters not acknowledged as debts	23.65	169.26	-
	81,089.04	**69,349.51**	**42,300.63**

b. Deferred tax asset / (liability), net, consolidated included in the restated Balance Sheet comprise of:

(Amount Rupees in Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
Deferred tax assets			
Excess of written down value of assets as per Income Tax Act, 1961 and net book value of such assets (to the extent reversing after the period during which the Company is eligible for exemption under sections 10A and 10AA of the Income-tax Act, 1961).	42.14	21.37	15.47
Provision for doubtful debts	139.00	132.02	132.25
Provision for dimnution of investments	3.94	-	-
Other timing differences	15.21	12.61	7.67
Share issue expenses	67.57	-	-
Total deferred tax assets (net)	267.86	166.00	155.39

c. Six months ended 30 September 2009

- Pursuant to the approval of the shareholders as on 7 March 2008 and a Shareholders Agreement ('Agreement') dated 12 March 2008, the Company had issued 2,666,667, 0.0001% Cumulative Convertible Preference shares having a value of Rs. 300 each to an investor in accordance with the terms set out in the Agreement. As per the terms of the Agreement, the Company has converted the Preference Share into Equity Shares on 28 August 2009, in accordance with the procedure stated in the Agreement. 2,666,666 numbers of Preference Shares have been converted to Equity Shares at a premium of Rs. 290 per share.

- Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007, the Company has issued 500,000, 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each debenture allotted to the debentureholder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. The Company has converted these debentures into 166,667 equity shares on 11 August 2009 at a premium of Rs 290 per share.

- The Securities Premium account has been utilized for the issue of 24,272,994 bonus shares of Rs 10 each. Further, expenses relating to the proposed issue of equity shares have been adjusted with the securities premium account.

- Provision for taxation has been made with reference to the profit for the period ended 30 September 2009 in accordance with the provisions of the Income Tax Act, 1961. The ultimate tax liability for the assessment year 2010-11 shall be determined on the basis of the total income for the year ended 31 March 2010.

- Easy Fit Jewellery Private Limited, one of the subsidiaries of the Company had filed an application for amalgamation of eleven other subsidiaries of the company namely Bajoria Apartments Pvt. Ltd. **("Transferor Company-I")**, (ii) M/s. Gold Art Jewellers Pvt. Ltd. **("Transferor Company-II")**, (iii) JT Metals & Minerals Exports Pvt. Ltd. **("Transferor Company-III")**, (iv) Samukh Exim Pvt. Ltd. **("Transferor Company-IV")**, (v) Smart Gold Jewel House Pvt. Ltd. **("Transferor Company-V")**, (vi) Galaxy Jewel Art Pvt. Ltd.**("Transferor Company-VI")**, (vii) Shrishti Jewel Art Pvt. Ltd. **("Transferor Company-VII")**, (viii) Safal Jewellers Pvt. Ltd. **("Transferor Company-VIII")**, (ix) Subarna Jewels Pvt. Ltd. **("Transferor Company-IX")** (x) Chaturbujh Jewellery House Pvt. Ltd**.("Transferor Company-X"),** (xi) Mudrika Jewels Pvt. Ltd**. ("Transferor Company-XI") with it** under sections 391(1) and 393 of the Companies Act, 1956 ('the Act') on 5 May 2009 before the Hon'ble High Court at Kolkata*. The aforesaid scheme which provides inter alia for merger of these eleven subsidiaries with Easy Fit Jewellery Private Limited, (**Transferee Company)** retrospectively on and from 1 April 2008 ('the appointed date'), was approved by the Hon'ble High Court of Calcutta* vide its order dated 28 October 2009. However, the certified copy of the said order and scheme has not been available in writing from Hon'ble High Court, and therefore has not been filed with the Registrar of Companies (ROC). Since the certified copy of the order is yet to be filed with the Registrar of Companies, the amalgamation is not legally effective. Accordingly, the financial statements have been prepared without considering the impact of the scheme of amalgamation.

- As per the scheme all assets, liabilities and reserves & surplus, as adjusted for any difference in accounting policy, of the Transferor Companies shall be transferred at the value as appearing in the books of the Transferor Companies as at 31 March 2008. . In consideration of the amalgamation, the Transferee Company shall issue and allot Equity Shares of the Transferee Company to the members of the Transferor Companies as at the 'Record Date'. The net surplus or deficit, if any, arising shall be credited to Amalgamation Reserve or debited to Goodwill Account as the case may be, in the books of the Transferee

Company. Further, the inter-se investments, inter corporate loans or balances between Transferor Companies and Transferee Company shall come to an end.

- Once the filing of the Order is made with ROC after receiving the certified copy of the same, the Group, with retrospective effect from 1 April 2008, will comprise of the company and three subsidiaries and not the company and fourteen subsidiaries resulting in recognition of the impact of the Scheme on the financial statements and financial information of the Group as at 31 March 2009 and consequently as at 30 September 2009 as under:

(Amount Rupees in lakhs)

Particulars	**Increase/(decrease) as at 31 March 2009**	**Increase/(decrease) as at 30 September 2009**
Securities premium account	2,697 .00	2,697.00
Amalgamation reserve	260.08	260.08
Capital reserve	(2,919.58)	(2,919.58)
Profit and loss account	26.56	18.54
General reserve	(3.36)	(3.36)
Goodwill	60.70	52.64

Further the profit for the year ended 31 March 2009 and period ended 30 September 2010 would be lower by Rs 16.12 lakhs and Rs 8.06 lakhs respectively.

There will be no material change in the accounting ratios.

d. Year ended 31 March 2009

- During the year the Income Tax Department had undertaken a search, under Section 132 of the Income Tax Act, 1961, at various premises of the Company and the residential premises of the Directors on 26 March 2009. The books of accounts and certain documents of the Company were seized by the Income Tax authorities and were subsequently returned. Further, Bank balances aggregating Rs. 20.12 remained prohibited from operations by such authorities as on balance sheet date such prohibitory order has since been revoked. Mr. Nilesh Parekh was summoned by the Assistant Director of Income Tax in this regard. There has been no further action initiated by the Income Tax Authorities.

- Pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007 the Company has issued 500,000, 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each debenture allotted to the debenture holder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event, the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatorily converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008. These are pending conversion as at 31 March 2009.

- During the previous year, pursuant to the approval of the shareholders as on 7th March 2008 and a Shareholders Agreement (‘Agreement’) dated 12 March 2008, the Company has issued 2,666,667, 0.0001% Cumulative Convertible Preference shares having a par value of Rs.300 each to an investor in accordance with the terms set out in the Agreement. As per the terms, the Company will convert the Preference Share into Equity Shares within 36 months from the date of agreement, in accordance with the procedure stated in the agreement. One such Preference Share has been converted to an Equity Share as on 28th March 2008 at a premium of Rs.290. Expenses relating to issue of such preference shares have been adjusted with securities premium.

e. Year ended 31 March 2008

- During the year, pursuant to the approval of the shareholders as on 7th March 2008 and a Shareholders Agreement (‘Agreement’) dated 12 March 2008, the Company has issued 2,666,667, 0.0001% Cumulative Convertible Preference shares having a par value of Rs.300 each to an investor in accordance with the terms set out in the Agreement. As per the terms, the Company will convert the Preference Share into Equity Shares within 36 months from the date of agreement, in accordance with the procedure stated in the agreement. One such Preference Share has been converted to an Equity Share as on 28th March 2008 at a premium of Rs.290. Expenses relating to issue of such preference shares have been adjusted with securities premium.

- During the year, pursuant to the approval of the Board of Directors as on 7 June 2007 and a Convertible Debenture Subscription Agreement dated 13 June 2007 the Company has issued 500,000 0% Fully Convertible Debentures of Rs.100 each at par. As per the terms of the Agreement, each Debenture allotted to the debenture holder would be compulsorily converted to equity shares in case the Company comes out with initial public offer. In the event ,the debentures do not get converted into equity shares by 31 March 2008, the debentures would be mandatory converted into equity shares at a conversion price laid down in the Agreement based on the audited financial statement for the year 2007-2008.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure V

Consolidated statement of cash flows, as restated, of Shree Ganesh Jewellery House Limited and its subsidiaries

(Amounts Rupees in Lakhs)

Sl.No.	Particulars	HY2010	FY 2009	FY 2008
A.	**Cash flow from operating activities**			
	Net profit before tax and adjustments as per audited accounts	**8,228.34**	**13,533.70**	**9,019.30**
	Add / (Less): Adjustments (refer Annexure IV Note 1)	9.01	(2.47)	351.64
	Net profit before tax , as restated	**8,237.35**	**13,531.23**	**9,370.94**
	Adjusted for :			
	(Profit)/Loss on sale of fixed assets	(0.51)	5.72	1.92
	(Profit)/Loss on sale of Investment	0.42	-	-
	Depreciation/ Amortisation	109.59	199.17	162.43
	Unrealised foreign exchange (gain) / loss (net)	2,101.02	(1,455.20)	(648.76)
	Interest received	(2,416.87)	(4,547.49)	(473.84)
	Interest charges	4,021.46	6,456.61	1,720.13
	Dimunition in value of investment	2.24	-	-
	Dividend received	(0.12)	-	-
	Advances written off	-	176.67	-
	Provision for doubtful debts	22.27	-	0.68
	Operating profit before changes in working capital	**12,076.85**	**14,366.71**	**10,133.50**
	Adjustments for (Increase)/ decrease in working Capital			
	Trade and other receivables	(12,772.05)	(5,728.01)	626.73
	Inventories	(5,023.67)	(46.42)	(3,172.09)
	Trade payables / other liabilities	12,555.25	2,728.69	(1,080.38)
	Net Changes in working Capital	**(5,240.47)**	**(3,045.74)**	**(3,625.74)**
	Cash generated from/(used in) operations	**6,836.38**	**11,320.97**	**6,507.77**
	Direct taxes paid (net)	(101.86)	(487.23)	(405.19)
	Net Cash from Operating activities (A)	**6,734.52**	**10,833.74**	**6,102.58**
B.	**Cash flow from investing activities**			
	Purchase of fixed assets	(522.64)	(391.53)	(459.67)
	Proceeds from sale of fixed assets	5.30	0.58	2.00
	Loans (Given) / realisation (net)	(1,514.69)	22.69	(129.84)
	Dividend received	0.12		
	Purchase of investments	(23.61)	-	(261.74)
	Sale of investments	22.38	40.30	10.96
	Net Cash (Used In)/ Generated From Investing Activities (B)	**(2,033.14)**	**(327.96)**	**(838.29)**

(Amounts Rupees in Lakhs)

Sl. No	Particulars	HY2010	FY 2009	FY 2008
C.	**Cash flow from financing activities**			
	Proceeds from :			
	- Long term borrowings	-	-	290.15
	- Short term borrowings	45,799.70	106,889.29	38,758.44
	Repayment of:			
	- Long term borrowings	(10.74)	(31.36)	(90.19)
	- Short term borrowings	(39,362.70)	(86,287.74)	(28,247.21)
	Interest received	1,915.66	4,357.20	525.25
	Interest paid	(4,127.63)	(6,106.02)	(1,694.23)
	Dividend Paid	(216.06)	(250.84)	-
	Issue of cumulative convertible preference shares (including securities premium)	-	-	8,000.00
	- Issue of fully convertible debentures	-	-	500.00
	Share issue expenses	(96.11)	-	(249.87)
	Net Cash (Used In)/ Generated From Financing Activities (C)	**3,902.12**	**18,570.53**	**17,792.34**
	Net increase/(decrease) in cash and cash equivalents D=[(A)+(B)+(C)]	**8,603.50**	**29,076.31**	**23,056.63**
	Opening cash and cash equivalents	59,799.98	30,723.67	7,667.04
	Closing cash and cash equivalents	**68,403.48**	**59,799.98**	**30,723.67**

Notes :

1.	Cash and cash equivalent comprises :			
	Cash in hand	117.54	55.55	49.38
	Balances with scheduled banks			
	- Current account**	3,327.23	2,922.56	1,767.14
	- Deposit account*	64,958.71	56,821.87	28,907.15
	TOTAL	68,403.48	59,799.98	30,723.67
	* includes margin money deposit on account of security deposit against borrowings which are not readily available for other purposes.	64,937.30	56,807.58	27,919.04
	** Excluding unrealised foreign exchange gain	1.83	42.90	-
	** Includes Rs. 20.12 in the books of SGJHL as at 31 March 2009 prohibited from operations by Income Tax Authorities (Refer Note 4(a) of Note 4 of Annexure IV).			

2. The above cash flow statement has been prepared under the "indirect method" as set out in accounting Standard 3 on Cash Flow Statement as prescribed by Companies (Accounting Standards) Rules, 2006.

3. To be read together with summary of significant accounting policies (Annexure III) and Notes to summary statement of restated profit and loss and restated assets and liabilities (Annexure IV).

4. Figures have been regrouped to ensure consistency of presentation.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure VI

Consolidated statement of dividends declared

The Company declared dividends during the years ended 31 March 2009 and 31 March 2008. No dividends were declared for the six months period ended 30 September 2009 .

	FY 2009	FY 2008
Equity share capital		
Number of shares of face value of Rs. 10 each	21,439,661	21,439,661
Rate of Dividend (%)-	10	10
Amount of Dividend Paid (Rs. in Lakhs)	214.40	214.40
Total Corporate Dividend Tax (Rs. in Lakhs)	36.44	36.44
Cumulative Convertible Preference share capital (CCPS)		
Number of shares of face value of Rs. 300 each	2,666,666	2,666,666
Rate of Dividend (%)-	10	0.0001%
Amount of Dividend Paid (Rs. in Lakhs)	26.63	-
Total Corporate Dividend Tax (Rs. in Lakhs)	4.53	-
0% Fully Convertible Debentures		
Number of debentures of face value of Rs. 100 each	500,000	500,000
Rate of Dividend (%)-	10%	0%
Amount of Dividend Paid (Rs. in Lakhs)	1.67	-
Total Corporate Dividend Tax (Rs. in Lakhs)	0.28	-

Note:

1. Dividend for the year ended 31 March 2009 includes dividend on Cumulative Preference Shares and Fully Convertible Debentures converted subsequently into 26,66,666 and 1,66,667 number of equity shares on 28 August 2009 and 11 August 2009 respectively.

2. No dividends have been declared by the subsidiaries during the years ended 31 March 2008, 31 March 2009 and for the six months period ended 30 September 2009.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure VII

Consolidated Statement of secured and unsecured loans

Unsecured loans, as restated

(Amounts Rupees in Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
0% Fully Convertible Debentures	-	500.00	500.00
From Promoters and their relatives	74.50	11.55	-
From Promoters group companies	-	62.00	-
From Banks	-	64.31	791.51
From Others	2,080.41	2,078.43	1,365.18
Total	**2,154.91**	**2,716.29**	**2,656.69**

Unsecured loan from Promoters, their relatives, group companies and others are interest-free and are repayable on demand details there of as follows:

(Amounts Rupees in Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
Promoter and their relatives			
Umesh Parekh	39.50	11.05	-
Nilesh Parekh	35.00	0.05	-
Group Companies			
Reliable Dealers Pvt. Ltd.	-	7.00	-
Masco Mercentile Pvt. Ltd.	-	8.00	-
Icon Towers Pvt. Ltd.	-	47.00	-

Secured loans, as restated

(Amounts Rupees in Lakhs)

Source	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
1. Buyers credit from Bank	33,140.83	32,051.71	8,524.97
2. Post shipment credit from bank	3,844.66	2,157.85	841.25
3. Demand loan from bank	582.55	215.22	-
4. Gold taken on loan from bank	76.62	59.61	478.91
5. Car loans from bank	9.57	22.11	50.94
6. Building loans from bank	-	-	2.54
7. Export packing credit from bank	-	-	930.22
Total	**37,654.23**	**34,506.50**	**10,828.83**

Consolidated statement of secured and unsecured loans (Continued)

The terms and conditions of the secured loans outstanding as at 30 September 2009 including interest rates, principal terms of security and repayment terms are given in the table below:

(Amount Rupees in Lakhs / USD in Lakhs)

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
1. Buyers credit						
a.	Indusind Bank	Rs.20,000	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 4,597.53	100% of the LoU/LoC amount (Principal + Interest / Other Charges, in any), Cash Margin in Indian Rupees of Terms Deposits under Lien.	As per Maturity terms of buyers credit availed. Generally a range of 90 to 360 days. Tenor : Maximum 360 days
b.	Yes Bank Limited	Rs. 4,000	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 3,574.18	Fully secured by Lien on Fixed Deposits with Yes Bank Limited	As per Maturity terms of individual buyers credit availed. Generally a range of 90 to 360 days. Tenor: Maximum 12 Months usance period.
c.	Standard Chartered Bank	USD 300	At the rate as negotiated with and agreed by bank, subjected to RBI guidelines.	Rs. 2,070.30	Pari-passu first charge on all current assets, both present and future. Personal guarantees of Mr. Nilesh Parekh and Mr. Umesh Parekh. Cash margin of 10% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
d.	Axis Bank	Rs. 15,000	LIBOR + 175 bps. The LIBOR would be fixed on a six monthly basis and interest is payable after completion of every six months on a rear end basis	Rs. 10,360.40	Cash margin of 100% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. Tenor - 90 days.
e.	Corporation Bank	Limits are transaction specific	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 5,373.24	Cash margin of 100% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
f.	Bank of India	Limits are transaction specific	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 999.56	Cash margin of 100% in form of fixed deposits (FDs).	As per Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
g.	IDBI Bank	Rs. 10,000	To be decided at the time of transaction (2-5%), depending on LIBOR fluctuation.	Rs. 4,245.15	i)Bills with title to the goods duly endorsed in favour of the bank ii)Cash margin of 100% in form of fixed deposits (FDs). iii)Personal guarantees of Mr. Nilesh Parekh & Mr. Umesh Parekh	As per Maturity terms of individual buyers credit availed. Tenor – max. 180 days.
h.	Allahabad Bank	Limits are	To be decided at	Rs.	Cash margin of	As per

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
		transaction specific	the time of transaction (2-5%), depending on LIBOR fluctuation.	1,920.47	100% in form of fixed deposits (FDs).	Maturity terms of individual buyers credit availed. 90 days for gold and 360 days for diamond.
2. Demand loan from bank						
a.	Bank of India	100 % of FD Value	FD interest rate +2 %	Rs. 582.55	Secured against lien on fixed deposits.	Repayable on demand
3. Gold on Loan						
a.	The Bank of Nova Scotia	NA	NA	Rs. 76.62	115% of the banks determination of the value gold on transaction to transaction basis.	90-120 days on transaction to transaction basis.
4. Car Loan From bank						
a.	HDFC Bank	Rs. 10.00	9%-12%	Rs. 3.10	Secured against respective Vehicles	Monthly upto 2 July 2010
b.	ICICI Bank	Rs.10.00	12.40%	Rs. 2.87	Secured against respective Vehicles	Monthly upto 10 June 2010
c.	ICICI Bank	Rs.26.92	8.70%	Rs.1.69	Secured against respective Vehicles	Monthly upto 5 November 2009
d.	ICICI Bank	Rs.10.00	10.79%	Rs. 1.91	Secured against respective Vehicles	Monthly upto 10th March 2010
5. Post Shipment Credit from Bank						
a.	Export-Import Bank of India	Rs. 4,000	INR:8.50% p.a. to 12% USD: LIBOR (6 months) + 300bps p.a. payable with	Rs. 2,082.66	1. Secured by exclusive charge on the entire current assets/receivables	Valid for a period of one year with effect from

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			quarterly rests		to be financed by Exim Bank.2.First Pari-passu charge with other banks over the entire current assets of the company, present and future (excluding assets having specific charge of respective financing banks under multiple banking system). 3. Assignment of ECGC Whole Turnover Post Shipment Guarantee Cover (65% of the Bill Value) in favor of Exim Bank. 4.Cash collateral by way of Fixed Deposit (interest bearing) to the tune of 25% of the facility. 5. Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. 6. Post dated cheque(s) for the principal and interest amount under each disbursement.	January 23, 2009
b.	Karnataka Bank	Rs. 7,500	BRDS – Sight Bills/ Usance bills upto 6 months. – LIBOR + 3.50% p.a. Bills realized after due date upto date of crystallization. – Rate of interest	Rs. 1,552.00	Primary: 1) Goods Covered Under export bills/ accepted bills of exchange. Collateral 1) Pledge of Term Deposits with Face Value of 25% of the limit. 2)	Post Shipment Credit: By Realization of Export Bills.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			as above + 2.00% p.a. Demand Bills For NTP as specified by FEDAI and overdue upto 180 days from the date of advance – PLR - 4% Overdue Bills – Beyond 180 days from the date of advance up to 360 days from the date of shipment – PLR Overdue Bills – Beyond 360 days from the date of shipment – PLR + 2%. Usance Bills (For total period comprising usance period of export bills, transit period as specified by FEDAI, and grace period whenever applicable) Upto 180 days from the date of advance (including overdue period) – PLR – 4% Beyond 180 days from the date of advance and upto 360 days from the date of shipment – PLR Overdue Bills - Beyond 360 days from the date of shipment – PLR +		Personal Guarantee of Nilesh Parekh & Umesh Parekh 3) ECGC credit cover WTPSG.	

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			2%			
c.	Syndicate Bank	Rs. 5,000	Rate of Interest: PLR – 2.5%	Rs. 210.00	Primary: Export Documentary Bills discounted/ purchased both on sight/ usance of upto 180 days. Pari-passu 1st charge by way of hypothecation of raw material / work in process / finished goods of the company. Pari-passu 1st charge on receivables both exports and domestic of the company. Cash margin of 25% Buyer wise policy from ECGC to be obtained. Collateral: Deposit of Rs. 1250 lacs is to be kept in lien in the name of the company with us. No separate loan against the deposit will be made available. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	180 days from the date of the bill
6. Acceptances						
a.	Corporation Bank	Rs. 10,000	Upto 270 days: 10.00% p.a. Beyond 270 days	Rs. 9,449.87	Principal: 1) Hypothecation/first charge on	Sight Bill to be paid within

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			and upto 360 days: 13.00% p.a. (Subject to revision from time to time)		inventory-cum-book debts/current assets.2) Guarantee of Promoters - Mr. Nilesh Parekh and Mr. Umesh Parekh and M/s Bajoria Apartments (P) Ltd. Collateral 1) Mortgage of certain immovable properties of Company at Domjur, Barranagar, Free School Street, Camac street, Park street, and Ram Narayan Bhatercharya Lane Kolkata. 2) Pledge of FDs of the bank of Rs. 18.15 crores including fresh FDs of Rs. 8.33 crore to be obtained.	normal transit period. In case of usance bills, tenor not exceeds 180 days from the date of bill of lading.
	Sub Limit BG cum SB LC cum Inland/Import	Rs.700	At 50% concession on the prescribed rates	-	Extension of Hypothecation/first charge on inventory cum book debts/current assets of the company.	
	Sub Limit for PCL/PCFC	Rs. 600	As per RBI guidelines	-	Hypothecation/ first charge on raw materials viz. gold bars, stock in process and finished goods comprising of gold Jewellery meant for exports and book debts/ current assets of the Company.	

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
b.	Allahabad Bank	Rs. 6,000	9% - 12%	Rs. 2,952.94	1) Charge over relative Export Bills. 2) Pledge of FDRs to 30% of the Bills purchased. 3) Cover under ECIBWTPS scheme of ECGC Ltd. 4) Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	Within the due date of the relative Export Bills. Generally 180 days.
c.	Axis Bank	Rs. 11,500	LIBOR (6 months) + 100 bps (inclusive of withholding tax)	Rs. 9,392.48	Primary: 1) Export Bills with title to the goods duly endorsed in favour of the bank. 2) Pari Passu charge on current assets of the Company. Collateral: 1) Cover under WTPSG Scheme of ECGC. 2) Lien on FD (to the extent of 25% of the limit. 3) Personal guarantee of Mr. Nilesh Parekh, Chairman and Mr. Umesh Parekh, MD.	Tenor: Maximum 180 days from the date of shipment.
d.	Bank of India	Rs. 5,000	INR: 9% -13%, USD: 6 months LIBOR/Euro, LIBOR/EURIBOR + 50-1000 basis points	Rs. 4,878.74	Principal: 1) 1st Pari Passu on stock and book debt. 2) Specific charge on bills submitted for purchase. Collateral: 1) Lien on fixed deposit as upfront margin. 2) Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	Tenor: Maximum 180 days from the date of shipment.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
e.	United Bank of India	Rs. 10,000	INR: Interest is as per bank's prevailing circular. USD: At prevailing LIBOR linked rate of interest of the bank.	Rs. 9,816.13	Primary: 1) Hypothecation of Foreign Documentary Bills. Collateral: 1) First pari passu charge with other banks over the entire current assets of the company, present and future (excluding assets having specific charge of respective financing banks). 2) Lien on term deposits of Rs. 15 crores along with accrued value of interest thereon.3) Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh, covering the entire limit.	180 days from the date of the bill
f.	Bank of Maharashtra	Rs. 5,000	INR: Linked to BPLR, 4% - 9% USD: As per RBI guidelines	Rs. 4,736.38	Primary: 1) Lien on Export Bills/ Hypothecation of Export Receivables/ Charge on Current Assets. Collateral: 1) Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. 2) Secured by fixed Deposits of Rs. 15 crores (30% of exposure). 3)Cover under ECIBWTPS scheme of ECGC Ltd.	180 days from the date of the bill
g.	Karnataka Bank	Rs. 7,500	INR: Sight Bills -	Rs.	Primary: 1) Goods	Post

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			For NTP: PLR - 4% p.a., Overdue: PLR + 3% p.a. Usance Bills - PLR - 4% p.a.- PLR+ 3% p.a. USD: Libor/Euro Libor/Euribor + 1% p.a.	5,620.97	Covered Under export bills/ accepted bills of exchange. Collateral 1) Pledge of Term Deposits with Face Value of 25% of the limit. 2) Personal Guarantee of Nilesh Parekh & Umesh Parekh 3) ECGC credit cover WTPSG.	Shippment Credit: By Realization of Export Bills.
h.	State bank of India	Rs. 10,000	a) Demand Bills – 2.75% below SBAR, b) Usance Bills - 2.75% below SBAR to SBAR plus 2.50%. b) Penalty for non-compliance with covenants – 1% p.a.	Rs. 9,722.52	Primary: 1) Hypothecation of receivables of the bills discounted and other Current assets. Cash Collateral by way of Fixed Deposit to the tune of Rs. 30 Crores. Collateral:1)Cash collateral by way of Fixed Deposits to the tune of Rs. 30 crores. 2) Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh	1 year from the date of sanction.
i.	UCO Bank	Rs. 5,000	As per RBI guidelines on transaction to transaction basis	Rs. 4,854.19	Primary :1) Pari passu first charge on current assets except foreign bills where specific charge of the Bank Purchasing / Discounting the bill will be there. Collateral: 1)30% collateral cover is to be maintained while disbursing	1 year from the date of sanction.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
					the new limit 2) Document of title to goods of the Company.	
j.	Syndicate Bank	Rs. 5,000	Rate of Interest: PLR – 2.5%	Rs. 1 297.58	Primary: Export Documentary Bills discounted/ purchased both on sight/ usance of upto 180 days. Pari-passu 1st charge by way of hypothecation of raw material / work in process / finished goods of the company. Pari-passu 1st charge on receivables both exports and domestic of the company. Cash margin of 25% Buyer wise policy from ECGC to be obtained. Collateral: Deposit of Rs. 1250 lacs is to be kept in lien in the name of the company with us. No separate loan against the deposit will be made available. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	180 days from the date of the bill
k.	Bank of Baroda	Rs. 5,000	Upto 90 days from the date of	Rs. 4,906.51	Primary: Pari-passu 1st	180 days from the

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			advance 3.50% below BPLR Beyond 90 days from the date of advance and upto 180 days 0.25% above BPLR. BPLR is 13.25% p.a. at present. Penal interest at @ 2.00% in case of overdues.		charge by way of hypothecation of entire stock of inventory, recievables and other chargeable current assets of the company. Collateral: Lien on Fixed Deposits for Rs. 15.00 crores. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.	date of the bill
l.	United Bank of India FBP/FBD	Rs. 1,500.00 (Total. Equal sub-limits from both facilities at Rs. 1500.00)	Rate of Interest: FBP/FBD – Interest is as per bank's prevailing circular, depending upon the volume of business which will be charged at monthly rests subject to revision of interest rate from time to time as per bank's HO/RBI guidelines.	Rs. 860.23	Primary: Hypothecation of Foreign Documentary Bills accompanied by Airway Bill/Bill of Lading drawn under confirmed order/LC within the usance period	180 days from the date of the bill
m.	Axis Bank	Rs. 500.00	PLR -5.50% subject to minimum of 6.50% p.a	Rs. 485.43	Primary: 1) Export Bills with title to the goods duly endorsed in favor of the bank.	On due dates
	Foreign Bill Discounted (EBRD)		Penal interest: 14.00% p.a on outstanding as per CO RBI FEDAI guidelines		2) Pari Passu charge on current assets of our Company.	
					Collateral: 1) Doyen Traders Properties Pvt Ltd	Maximum 180 days from the date of shipment.

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
					2) Lien on FD of Rs.200.00 Lacs 40% of the Sanction limit	
					3) Personal guarantee Mr. Umesh Parekh, & Mr. Anand Kimtee	
					4) Pari Passu charge over the entire Fixed assets and current assets	
n.	Union Bank FDBP/FUDBP (LC/under contract)	Rs. 1,500.00	For Post Shipment Credit : sight Bills/ usance bills upto 90 days -9.25% (LC) 9.50% (Contract)	Rs. 1,251.11	Collateral: 1) DRIC for rs.6.00 crore in Union Bank under lien should be created before availing of limits.	
			Beyond 6 months from date of shipment = BPLR+ 1% at present 13.75%		2) Personal Guarantee of Nilesh Parekh and Umesh Parekh	
					3)Hypothecation of stock and Book debts and fixed deposits	
					4) Guarantee of M/S Shree Ganesh Jewellery House Ltd	
o.	Karnataka Bank Post Shipment Credit Facility	Rs. 1,500.00	For Post Shipment Credit: sight Bills/ usance bills upto 6 months bills realised after due date upto date of crystallization.	Rs. 1,240.06	Prime: 1) Goods Covered Under export bills/ accepted bills of exchange.	Post Shipment Credit: By Realization of Export Bills.
			Libor/Euro Libor/Euribor + 1% p.a.		Collateral : 1) Pledge of Term Deposits of Rs.450.00 lakh	
			Rate of Interest as		2) Personal	

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			above + 2% p.a.		Guarantee of Nilesh Parekh & Umesh Parekh	
			Rupee Advance : (From the date of advance)		3) ECGC credit cover WTPSG	
			Sight Bills - For NTP : PLR - 4% p.a.			
			Overdue : PLR + 3% p.a.			
			Usance Bills			
			Upto 90 days (from the date of advance) : PLR - 4% p.a.			
			Beyond 90 days and upto 6 months from Shipment date : PLR - 1% p.a.			
			Beyond 180 days / due date : PLR+ 3% p.a.			
p.	Karnataka Bank Post Shipment Credit Facility	Rs. 2,000.00 Lakhs	For Post Shipment Credit : sight Bills/ usance bills upto 6 months bills realised after due date upto date of crystallization.	Rs. 1,971.08	Prime : 1) Goods Covered Under export bills/ accepted bills of exchange.	Post Shipment Credit : By Realization of Export Bills.
			Libor/Euro Libor/Euribor + 3.5% p.a.		Collateral : 1) Pledge of Term Deposits of Rs.876.94 Lakhs	
			Rate of Interest as above + 2% p.a.		2) Personal Guarantee of Nilesh Parekh & Umesh Parekh	
			Rupee Advance : (From the date of advance)		3) ECGC credit cover WTPSG	

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
			Sight Bills - For NTP upto 180 days: PLR - 4% p.a. Overdue Beyond 180 Days to 360 Dyas from the shipment: PLR Overdue Beyond 360 Days from the shipment: PLR + 2% p.a. Usance Bills Upto 90 days (from the date of advance) : PLR - 4% p.a. Beyond 90 days and upto 6 months from Shipment date : PLR Beyond 180 days / due date : PLR+ 2% p.a.		4) Guarantee of M/S Shree Ganesh Jewellery House Ltd.	
q.	ICICI Bank FUBD/FBP/FBN	Rs. 2,500.00	For Post Shipment Credit : sight Bills/ usance bills upto 6 months bills realised after due date upto date of crystallization. Libor/Euro Libor/Euribor +- 3.05% p.a.	Rs. 1,129.17	Against documents of title to goods viz, Bills of Lading/ AWBs, Bills of Exchange, Invoices, packing lists, certificate of Origin etc Collateral : 1) Exclusive lien on the fixed deposits with ICICI Bank Ltd equivalent to 50% of working capital limits sanctioned ,part disbursements to be done only of receipt of proportionate fixed	In Case of DA bills , Usance not exceeding 180 days

Sl. No.	Name of Bank/Institution/Others	Amount Sanctioned	Rate of Interest	30 September 2009	Nature of Security	Repayment Schedule
					deposit. 2) Personal Guarantee of Nilesh Parekh & Umesh Parekh & SRI Rajesh Seth 3)Hypothecation of stock and Book debts and fixed deposits 4) Guarantee of M/S Shree Ganesh Jewellery House Ltd	

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure VIII

Consolidated statement of other income, as restated

(Amounts Rupees in Lakhs)

Particulars	Year ended 30 September 2009	Year ended 31 March 2009	Related / Not related to Business activity
Recurring			
Interest received on fixed deposit	2,415.12	4,546.87	Related
Exchange gain(net)	34.51	3,267.16	Related
Commission	64.45	316.73	Related
Profit on commodity Transaction	0.10	2.37	Related
	2,514.18	**8,133.13**	
Non recurring			
Interest- others	1.75	-	Related
Provision no longer required written back	139.17	-	Related
Miscellaneous income	14.84	112.65	Related
	155.76	112.65	
Total	**2,669.94**	**8,245.78**	

Notes:

1. The classification of income as recurring/ non recurring and related/ not related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. Details of 'Other Income' for the year ended 31 March 2008 has not been given as it does not exceed 20% of the consolidated, net profit before tax, as restated, for the year, as per the consolidated statement of profit and loss, as restated.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure IX

Consolidated statement of accounting ratios

	Accounting Ratios	HY 2010	FY 2009	FY 2008
	Net Profit before extraordinary items but after adjusted tax (Rs. In lakhs) **(A)**	8,068.22	13,341.80	9,067.04
	Net worth at the end of the year/period (Rs. in lakhs) **(B)**	51,358. 70	42,988.39	29,930.39
	Net worth excluding preference share capital at the end of the year/period (Rs. lakhs) **(C)**	51,358.70	34,988.40	21,930.39
	Weighted average number of equity shares outstanding during the year/period **(D)**	43,963,111	42,879,322	42,879,322
	Weighted average number of equity shares and dilutive potential equity shares outstanding during the year/period **(F)**	43,963,111	48,545,988	43,423,612
	Total number of equity shares outstanding at the end of the year/period**(E)***	48,545,988	21,439,661	21,439,661
A	Earnings per equity share **(Rs.)**			
	- Basic **(A/D)**	18.35	31.11	21.15
	- Diluted **(A/F)**	18.35	27.48	20.88
B	Return on Net Worth (%) **(A/B)**	15.71	31.04	30.29
C	Net asset value per share (Rs.) **(C/E)**	105.79	163.19	102.29

** As per audited financial statement of Shree Ganesh Jewellery House Limited.*

Notes:

1. The ratios have been computed as follows:

Earnings per share (Basic) = $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

Earnings per share (Diluted) = $\frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of equity shares including dilutive equity equivalent shares outstanding during the year}}$

Return on net worth = $\frac{\text{Net profit after adjusted tax}}{\text{Net worth as at the end of the year}} \times 100$

Net asset value per equity share = $\frac{\text{Net worth as at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

Consolidated statement of accounting ratios (continued)

2. Restated net profit, as appearing in the summary statement of profits and losses, as restated and net worth as appearing in the statement of assets and liabilities, as restated, has been considered for the purpose of computing the above ratios.

3. Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share” prescribed by the Companies (Accounting Standards) Rules, 2006.

4. For the purpose of computing Return on Net Worth, preference share capital and share application money pending allotment has been included for calculating Net Worth.

5. For the purpose of calculating Net Assets Value, preference share capital has not been included for calculating the Net Worth.

6. For the purpose of computing weighted average number of equity shares outstanding during the respective years and weighted average number of dilutive potential equity shares outstanding during the respective years, the impact of bonus shares issued aggregating 11,775,150 during the year ended 31 March 2007 and shares aggregating 24,272,994 during the period ended 30 September 2009 have been considered in all the respective years presented above. These bonus shares have been issued by utilising the securities premium account and profit and loss account.

7. 2,666,666 Preference Shares and 500,000 debentures have been converted into 26,66,666 and 1,66,667 number of equity shares on 28 August 2009 and 11 August 2009 respectively.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure X

Consolidated capitalisation statement as at 30 September 2009, as restated

(Amounts Rupees in Lakhs)

Particulars	Pre-issue	Post-issue
Borrowings		
Short term debts	39,809.14	-
Long term debts	-	-
Total debts	**39,809.14**	**-**
Shareholders' funds		
Share capital		
- Equity share capital	4,854.60	-
Reserves and Surplus		
- Securities Premium Account	7208.44	-
- Capital Reserve	3,022.28	-
- Amalgamation Reserve	325.59	-
- Translation reserve	0.25	-
- General reserve	119.47	-
- Profit and Loss Account	35,828.07	-
Total shareholders' funds	**51,358.70**	**-**
Long term debt / equity ratio	-	-

Notes:

1. Car loans repayable within the next one year from 30 September 2009 are considered as short-term debts. Export packing credit, cash credit and overdraft received from banks are considered as short term debts.

2. Long term debt represents debt other than short term debt, as defined above.

3. The post-issue debt equity ratio will be computed on the conclusion of the book building process.

4. The figures included above are as per the summary statements of assets and liabilities and profits and losses, as restated.

5. Long term debt / equity ratio $\dfrac{\text{Long term debt}}{\text{Total shareholder's funds}}$

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XI

Break up of ageing schedule of sundry debtors, - consolidated, as restated

(Amounts in Rupees Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
Sundry debtors			
(Unsecured and considered good)			
Debts outstanding for a period			
- exceeding six months	4,446.30	6,504.36	1,349.55
- less than six months	28,683.92	14,318.84	15,468.53
Considered doubtful			
- Debts outstanding for a period exceeding six months	408.95	388.41	389.09
	33,539.17	**21,211.61**	**17,207.17**
Less: Provision for doubtful debts	408.95	388.41	389.09
	33,130.22	**20,823.20**	**16,818.08**

Note: There are no debts outstanding from group companies, promoters, directors and their relatives in any of the year.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XII

Break up of loans and advances- Consolidated, as restated

(Amounts Rupees in Lakhs)

Particulars	**As at 30 September 2009**	**As at 31 March 2009**	**As at 31 March 2008**
Unsecured and considered good			
Loans			
- to body corporate and others	88.50	75.50	5.50
- to employees	5.50	5.95	6.78
Advances recoverable in cash or in kind or for value to be received	5,619.29	6,420.67	1,935.24
Prepaid Interest & Insurance	87.06	-	-
Foreign currency receivable	-	2,491.12	-
Balances with sales tax authorities	145.36	166.57	132.64
Security deposits	411.48	394.27	61.72
Income tax	204.65	300.18	16.53
	6,561.84	**9,854.26**	**2,158.41**

Notes:

Loans and Advances include debt outstanding from Promoters, Directors, their relatives and group companies are as follows:

(Amounts Rupees in Lakhs)

Particulars	**As at 30 September 2009**	**As at 31 March 2009**	**As at 31 March 2008**
Promoters and their relatives	-	-	7.37
Group Companies	3.50	341.61	32.01

There are no outstanding guarantees made by the Company for the benefit of its directors / key management personnel for the year ended 31 March 2008 and 31 March 2009.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XIII

Consolidated statement of aggregate book value and market value of investments, as restated

(Amounts Rupees in Lakhs)

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
Equity Stock – Quoted			
Centurion Bank of Punjab Ltd. 5,000 equity shares of Rs. 2.00 each fully paid up	-	-	3.50
DCW Limited 30,000 equity shares of Rs. 2.00 each fully paid up	12.93	12.93	12.93
Eadlewise Capital Limited 24 equity shares of Rs. 5.00 each fully paid up	0.20	0.20	0.20
Geojit Bnp Paribas Financial Services Limited 1,500 equity shares of Rs. 1.00 each fully paid up	1.93	1.93	1.93
GMR Infrastructure Ltd. 300 equity shares of Rs. 2.00 each fully paid up	0.54	0.54	0.54
HDFC Bank Limited 172 equity shares of Rs. 10.00 each fully paid up	3.51	3.51	-
Hind ORG Chem Limited 2,500 equity shares of Rs. 10.00 each fully paid up	0.93	1.17	-
Himachal Futuristic Communications Limited 10,000 equity shares of Rs. 10.00 each fully paid up	4.61	4.61	4.61
Parsvnath Developers Limited 500 equity shares of Rs. 10.00 each fully paid up	1.55	1.55	1.55
Reliance Capital Limited 10 equity shares of Rs. 10.00 each fully paid up	0.26	0.26	-
Reliance Industries Limited 200 equity shares of Rs. 10.00 each fully paid up	4.56	4.56	15.82
Ruchi Soya Limited 2,000 equity shares of Rs. 10.00 each fully paid up	2.73	2.73	2.73
Tata Teleservices (Maharashtra) Limited 10,000 equity shares of Rs. 10.00 each fully paid up	4.29	4.29	4.29
Unitech Limited 3,000 equity shares of Rs. 2.00 each fully paid up	1.07	-	-
Equity Stock – Unquoted (fully paid up)			

Particulars	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
Damgan Retail Jewellery Private Limited	11.25	11.25	11.25
Less :			
Provision for diminution in value of current investment			
Diminution in value of quoted investments	15.40	24.41	19.51
Diminution in value of unquoted investments	11.25		
Total	**23.71**	**25.12**	**39.84**
Aggregate book value and market value of quoted investments and book value of unquoted investments:			
Equity Stock – Quoted			
- Aggregate market value	25.99	13.87	30.73
- Aggregate book value	39.11	38.28	48.10
Less :			
Provision for diminution in value of current investment	15.40	24.41	19.51
Aggregate book value of quoted investments	**23.71**	**13.87**	**28.59**
Agregate book value of unquoted investments			
Equity Stock – Unquoted (fully paid up)			
- Aggregate book value	0.33	11.58	8.07

Note: In line with accounting Standard 13 "Accounting for Investments" the carrying value of current investment is reduced for the diminution in the value of individual investment and such diminution is shown under provision for diminution in value of current investment, which is netted off with Investment.

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XIV
Statement of related party disclosures, as restated

List of Related Parties as per Accounting Standard – 18 prescribed by Companies (Accounting Standard) Rules, 2006.

Sl. No.	Nature of relationship	Name of the Party
(i)	Enterprises directly / indirectly are under common control with the Company # # #	Umesh Parekh (HUF)
		Nilesh Parekh (HUF)
		Swastik Wheat Product Agencies Private Limited
		Vanshika Jewels Private Limited (ceased to be a Group company w.e.f. 1 April 2009)
		Shree Vinayak Jewellers (ceased to be a Group company w.e.f. 14 April 2009)
(ii)	Associate of the Company # # #	Damgan Retail Jewellery Private Limited, Associate w.e.f 30 October 2006
(iii)	Individuals owning (directly / indirectly) an interest in the voting power of the Company that gives them control or significant influence (also the key management personnel)	Mr. Umesh Parekh - Managing Director #
		Mr. Nilesh Parekh - Chairman #
		Mr. Kamlesh Parekh #
		Mrs. Kumud Parekh # #
		Mrs Sumona Parekh # #
		Mrs. Rani Parekh # #
		Mrs. Priti Parekh # #
		Mr. Karan Parekh # #
(iv)	Enterprise over which persons mentioned in (iii) are able to exercise significant	Safal Properties Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		NUK Properties Pvt. Ltd.
		Kalindi Enclave Pvt. Ltd.

Sl. No.	Nature of relationship	Name of the Party
	influence.# # #	
		Liberson Dealcom Pvt. Ltd.
		Reliable Dealer Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		Masco Mercantile Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		Kamlesh Parekh (HUF)
		Aastha Complex Pvt. Ltd.
		BSR Caterers Pvt. Ltd. (ceased to be a Group company w.e.f. 1 April 2009)
		Icon Towers Private Limited. (ceased to be a Group company w.e.f. 1 April 2009)

 # Promotors

 # # Relatives of the promoters

 # # # Group Companies

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

(Amount Rupees in Lakhs)

Name of The Party	Nature Of Transaction	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
BSR Caterers Pvt Ltd	Capital advances	-	-	34.00
Damgain Retail Jewellery Pvt Ltd	Investment made	-	-	11.25
Icon Tower Pvt. Ltd.	Loan taken	-	47.00	-
	Repayment of Loan taken	-	-	-
	Loans receivable /(payable) outstanding	-	(47.00)	-
Kalindi Enclave Pvt Ltd	Rent expense	0.60	1.60	0.50
	Receivable / (payable) as at the year/period end	(0.10)	-	(0.40)
Liberson Dealcom Pvt Ltd	Advances made for purchase of goods	-	-	1.00
	Rent expense	-	0.99	0.99
	Interest received / Receivable during the year/period	0.06	-	-
	Receivable / (payable) as at the year/period end	-	(0.99)	0.01
	Loans receivable /(payable) outstanding	1.06	1.00	-
Masco Mercantile Pvt. Ltd.	Loan taken	-	8.00	-
	Loans receivable /(payable) outstanding	-	(8.00)	-
Reliable Dealer Pvt. Ltd.	Loan taken	-	7.00	-
	Loans receivable /(payable) outstanding	-	(7.00)	-
Safal Properties pvt Ltd #	Rent expense	-	72.00	-
	Security deposit given	-	310.00	-
	Security deposit as at year/period end	-	310.00	-
Shree Vinayak Jewellers (partnership), Mumbai	Loan taken	-	-	40.20
	Repayment of loan taken	-	-	40.20
	Advances made for purchase of goods	-	-	30.61
	Receivable / (payable) as at the year/period end	-	48.61	30.61
Swastik Wheat Products Agencies Pvt Ltd	Rent expense	-	2.10	1.10
	Security deposit given	2.50	-	2.50
	Receivable / (payable) as at the year/period end	(0.82)	0.30	1.40
Kamlesh Parekh (HUF)	Repayment of loan given	-	-	0.59
Nilesh Parekh	Loan given	70.00	75.00	-
	Repayment of loan given	70.00	75.00	7.24
	Loan taken	-	0.15	64.00
	Repayment of loan taken	0.05	1.60	29.00
	Remuneration including commission on profit	90.57	151.94	101.75
	Receivable / (payable) as at the year/period end	(189.55)	(168.94)	(43.75)
	Loans receivable /(payable) outstanding	(35.00)	(0.05)	(36.50)
Nilesh Parekh (HUF)	Repayment of loan given	-	-	0.34
	Repayment of loan taken	-	10.00	-

Name of The Party	Nature Of Transaction	As at 30 September 2009	As at 31 March 2009	As at 31 March 2008
	Loans receivable /(payable) outstanding	-	-	10.00
Umesh Parekh	Loan given	-	155.00	25.00
	Repayment of loan given	-	85.00	25.00
	Advance taken	0.12	-	-
	Loan taken	-	52.15	28.00
	Repayment of loan taken	-	48.71	-
	Remuneration including commission on profit	90.57	151.94	101.75
	Receivable / (payable) as at the year/period end	(162.03)	(161.94)	(102.24)
	Loans receivable /(payable) outstanding	38.38	38.50	3.50
	Repayment of loan given	-	3.50	1.14
Umesh Parekh (HUF)	Repayment of loan taken	-	3.50	-
	Loans receivable /(payable) outstanding	-	-	3.50
Kumud Parekh	Loan given	-	-	35.50
	Loans receivable /(payable) outstanding	17.50	4.50	42.50
Rani Parekh	Repayment of loan given	-	25.00	0.70
Sumona Parekh	Repayment of loan given	-	-	1.11
	Advances made for purchase of goods	-	-	0.11
	Receivable / (payable) as at the year/period end	-	-	1.11

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

Annexure XV

Consolidated statement of Segment disclosures, as restated

Segment information in accordance with Accounting Standard 17, prescribed by Companies (Accounting Standard) Rules, 2006.

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

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

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

(Amount in Rupees Lakhs)

Sl No.	Particulars	HY 2010	FY 2009	FY 2008
(a)	**Revenue (net of excise duty and cess)**			
	External Sales			
	Domestic	11,035.42	57,909.64	8,155.01
	Export	130,944.80	227,978.24	137,766.08
	Total External sales (A)	**141,980.22**	**285,887.88**	**145,921.09**
	Job work Charges			
	Domestic	57.04	104.28	47.63
	Export	-	16.94	-
	Total Job work charges (B)	**57.04**	**121.22**	**47.63**
	Other Income			
	Domestic	154.11	181.31	26.69
	Export	98.96	3,583.89	564.30
	Total Other Income (C)	**253.07**	**3,765.20**	**590.99**
	Interest Income (D)	2,416.87	4,480.56	744.67
			-	-
	Total Revenue (E=A+B+C+D)	**144,707.20**	**294,254.86**	**147,304.38**
(b)	**Segment results**			
	Domestic	924.61	422.74	270.79
	Export	9,516.18	17,333.77	11,261.36
	Total Segment results (A)	**10,440.79**	**17,756.51**	**11,532.14**
	Less: Unallocable administrative expenses (B)	607.86	1,239.24	653.01
	Less: Interest Expenses (C)	4,021.46	7,455.00	2,600.20
	Less: Share of loss from associate	-	9.13	3.31
	Add: Interest Income (D)	2,416.87	4,480.56	744.67
	Profit before tax and adjustment (E = A-B-C+D)	**8,228.34**	**13,533.70**	**9,019.30**
	Taxation (F)	164.16	172.26	167.55

Sl No.	Particulars	HY 2010	FY 2009	FY 2008
	Profit after tax and before adjustment (G = E-F)	**8,064.18**	**13,361.44**	**8,851.75**
	Less: Share of loss from associates (M)	-	-	0.11
	Add / (Less) : Adjustments (H)	9.01	- 2.47	351.64
	Current tax impact of adjustment (I)	-	-	-
	Deferred tax impact of adjustment (J)	-	-	125.75
	Total of adjustments after tax impact (K = H-I-J)	**9.01**	**-2.47-**	**225.89**
	Net profit as restated (L = G+K)	**8,073.19**	**13,358.97**	**9,077.53**
(c)	**Segment Assets**			
	Domestic	1,543.99	2,639.36	4,250.88
	Export	95,411.34	68,378.91	28,163.03
	Total Segment Assets (A)	**96,955.33**	**71,018.27**	**32,413.91**
	Add: Unallocable Assets	26,474.53	28,792.00	26,507.66
	Add: Deferred Tax	267.86	166.00	155.39
	Add: Advance Income Tax (including tax deducted at source)	204.65	313.77	70.00
	Total Assets	**123,902.37**	**100,290.04**	**59,146.96**
(d)	**Segment Liabilities**			
	Domestic	3,477.84	598.57	2,303.55
	Export	27,983.60	12,350.06	9,640.22
	Total Segment liabilities (A)	**31,461.44**	**12,948.63**	**11,943.77**
	Add: Unallocable Liabilities	946.02	6,510.50	3,185.07
	Add: Minority Interest	325.78	320.83	303.66
	Add: Loan	39,809.14	37,222.79	13,485.52
	Add: Provision for income tax (net)	-	12.00	33.77
	Add: Provision for fringe benefit tax (net)	-	1.63	13.41
	Add: Proposed Dividend	-	283.98	250.84
	Add: Provision for Wealth Tax	1.29	1.29	0.54
	Total liabilities	**72,543.67**	**57,301.65**	**29,216.57**
(e)	**Cost incurred to acquire fixed assets**			
	Domestic	-	-	-
	Export	116.28	92.47	22.70
	Total (A)	**116.28**	**92.47**	**22.70**
	Add: Unallocated cost to acquire fixed assets	27.20	358.89	130.71
	Total (B)	**143.48**	**451.36**	**153.41**
(f)	**Depreciation/amortisation**			
	Domestic	-	0.02	0.06
	Export	17.82	34.06	7.45
	Total (A)	**17.82**	**34.08**	**7.51**
	Add: Unallocated depreciation/amortisation	91.77	165.09	156.42
	Less: Adjustment	-	-	-
	Total	**109.59**	**199.17**	**162.43**
(g)	**Significant non cash expenses other than depreciation and amortisation**			

Sl No.	Particulars	HY 2010	FY 2009	FY 2008
	Domestic		-	-
	Export		-	-
	Total		**-**	**-**
	Secondary Disclosure			
1	Carrying amount of segment assets by location of assets			-
	Domestic		91,678.34	77,673.31
	Export		32,224.03	22,617.73
	Total		**123,902.37**	**100,290.04**
2	Cost incurred to acquire segment fixed assets by location of assets			-
	Domestic		143.48	451.37
	Export		-	-
	Total		**143.48**	**451.37**

For and on behalf of the Board of Directors

Umesh Parekh
Managing Director

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our financial statements included in this Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page xv of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company and unless otherwise stated, is based on our restated financial statement, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR. Our fiscal year ends on March 31 of each year, so all references to a particular "FY" are to the twelve-month period ended March 31 of that year.

Overview

We are one of the largest manufacturers and exporters of handcrafted gold jewellery in India and have been awarded the "Outstanding Export Performance and Contribution in the Trade for Plain Precious Metal Jewellery Exports by Unit from EoU/EPZ" for FY 2008 and FY 2009 by the Gems and Jewellery Export Promotion Council ("GJEPC"). Our products include handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones such as diamonds, rubies, emeralds, sapphires, pearls, etc. and semi-precious stones such as garnet, cubic zirconium, etc. Our portfolio includes rings, earrings, pendants, bracelets, necklaces, bangles and medallions. Our products have presence across different price points to cater to all customers across high-end, mid-market and value market segments which are designed by a team of creative designers which allows us to manage a large and diverse portfolio of designs.

Our products are primarily exported to countries such as the U.A.E, Singapore and Hong Kong and we have recorded a consistent and steady growth in our exports. Our Company's export income has grown at a CAGR of 72.71% from FY 2007 to FY 2009 and our Company's share in the India's gold jewellery exports has increased from 1.83% to 6.10% during the same period. During the FY 2007, 2008, 2009 and six months ended September 30, 2009, the Company has exported 86.73%, 94.14%, 99.23% and 94.84% of our products respectively.

Our Company received the "Four Star Export House" certificate from the Joint Director of Foreign Trade, Government of India in June 2009 and have been bestowed the status of a "Nominated Agency" under the Foreign Trade Policy, which allows our Company to import precious metals directly. Our Promoters, Mr. Nilesh Parekh and Mr. Umesh Parekh, were the recipient of the "SinGem Young Achiever Award, Eastern India" in 2006, conferred by SinGems, one of India's premium institutes of jewellery designing. We have also received the EPCES Export Awards in February 2010 for Best SEZ-SSI for the year 2007-08.

We believe that our Company's restated financial performance from FY 2007 to FY 2009, viz; total income YoY grew by 55.09% in FY 2008 and 72.88% in FY 2009, export income YoY grew by 67.77% in FY 2008 and 77.81% in FY 2009, EBIDTA YoY grew by 74.65% in FY 2008 and 84.25% in FY 2009 and net profit YoY grew by 84.73% in FY 2008 and 47.73% in FY 2009, demonstrated the consistency of our Company's business growth and leadership capabilities. Additionally, our consolidated restated total income has increased from Rs. 1,47,304.38 lacs in FY 2008 to Rs. 2,94,254.86 lacs in FY 2009 which is an increase of 99.76% and our consolidated restated profit after tax has increased from Rs. 9,086.56 lacs in FY 2008 to Rs. 13,346.7 lacs in FY 2009 which is an increase of 46.88%. For the six months ended September 30, 2009, our Company's total total income, export income, EBIDTA and net profit was Rs. 1,32,580.15 lacs, Rs. 1,23,311.45 lacs, Rs. 11,851.36 lacs and Rs. 7,995.90 lacs respectively.

We were also assigned "NSIC – CRISIL SE1A" rating by CRISIL for SMEs in December 2009 which indicates "Highest performance capacity and highest financial strength".

We have four manufacturing units, located in Manikanchan SEZ at West Bengal, which is presently the only jewellery SEZ in West Bengal, spread across an area of approximately 12,338.71 sq. ft. For further details, please see “Licenses and Approvals” on page 312 of this Red Herring Prospectus. During FY 2009 and for the six months ended September 30, 2009, we have achieved a production of 12,843.63 kgs and 5,678.99 kgs of gold jewellery. West Bengal is known for the availability of craftsmen (“karigars”) skilled in the manufacture of handcrafted jewellery. We intend to set up an additional jewellery manufacturing unit at Manikanchan SEZ to supplement the existing facilities. We also plan to expand our portfolio by commissioning a new vertical in machine made Italian and light weight jewellery at Mondalpara and at Domjur, West Bengal. For further details of the Projects, please refer to the section titled “Objects of the Issue” on page 35 of this Red Herring Prospectus. As of January 31, 2010, our Company has thirteen retail outlets and we intend to open forty six retail outlets across India including outlets under the shop-in-shop and franchisee models.

The overview of the financial performance of our Company based on the re-stated standalone audited financial information:

(Rs. in lacs)

Particulars	Six months ended September 30, 2009	FY 2009	FY 2008	FY 2007	2 year CAGR (%) from FY 07 to FY 09
Total Income	1,32,580.15	2,21,819.95	1,28,302.64	82,724.81	63.75
Export Sales	1,23,311.45	2,13,187.72	1,19,907.89	71,470.03	72.71
Export% of Total Income	93.00	96.10	93.45	86.38	
Total Sales	1,30,014.24	214,850.12	127,380.66	82,403.75	61.47
% of Total Income	98.06	96.86	99.28	99.61	
Net Material Consumption	1,18,949.58	1,99,155.35	1,15,324.71	76,027.59	61.85
% of Total Income	89.72	89.78	89.88	91.90	
EBITDA (before adjustment)	11,851.36	20,151.74	10,937.21	6,262.27	79.39
EBIDTA Margins%	8.94	9.08	8.52	7.57	
PBT (before adjustment)	8,133.09	13,344.37	8,835.41	5,242.31	59.55
Restated PAT	7,995.90	13,245.07	8,965.52	4,853.22	65.20
PAT Margins%	6.03	5.97	6.99	5.87	
Tangible Net Worth	48,065.81	39,767.84	26,806.76	10,331.26	96.20
Earnings per share – Diluted Pre Bonus	18.19*	54.57	41.29	22.64	55.25
Earnings per share – Diluted Post Bonus	18.19**	27.28	20.65	11.32	55.25
Book Value per share Pre Bonus	99.01*	148.17	87.72	82.25	34.21
Book Value per share Post Bonus	99.01**	74.09	43.86	41.13	34.21

** This is pursuant to bonus issue on Sepetmebr 23, 2009 and is not annualised*

*** Not annualized*

Total Income of our Company has increased from Rs 82,724.81 lacs in FY 2007 to Rs 2,21,819.95 lacs in FY 2009, reflecting a CAGR of 63.75%, driven mainly by 72.71% CAGR in Export Income.

Total Sales of our Company have increased from Rs. 82,403.75 lacs in FY 2007 to Rs. 214,850.12 lacs in FY2009, reflecting a CAGR of 61.47%. During this period the quantity of gold jewellery sold by our Company increased at a CAGR of 51.78% and the quantity of precious/semi precious stones sold by our Company increased at a CAGR of 95.72%.

Net Material Consumption as% of Total Income has reduced from 91.90% in FY 2007 to 89.88% in FY 2008 and has remained constant in FY 2009 at 89.78%. The reason for no significant increase in the net material consumption is because the raw materials procured by us such as gold, precious and semi precious stones are a pass through cost for us. Hence we have not been affected by the fluctuations in price of raw materials. The drop of few percentage points is on account of our efforts in reducing the loss of material during the manufacturing process.

EBIDTA of our Company has increased from Rs 6,262.27 lacs in FY 2007 to Rs 20,151.74 lacs in FY 2009, reflecting a CAGR of 79.39%. EBIDTA margins, as% of total income has expanded from 7.57% in FY 2007 to 9.08% in FY 2009.

Restated PAT of our Company has increased from Rs 4,853.22 lacs in FY 2007 to Rs 13,245.07 lacs in FY 2009, reflecting a CAGR of 65.20%.

Significant developments subsequent to September 30, 2009

Easy Fit Jewellery Private Limited, one of our Subsidiaries, has filed an application before the Hon'ble High Court at Kolkata for the sanction of a scheme of amalgamation under sections 391(1) and 393 of the Companies Act for the amalgamation of 11 of our subsidiaries, namely, Gold Art Jewellers Private Limited, J T Metals and Minerals Exports Private Limited, Bajoria Apartments Private Limited, Chaturbhuj Jewellery House Private Limited, Samukh Exim Private Limited, Shrishti Jewel Art Private Limited, Galaxy Jewel Art Private Limited, Safal Jewellers Private Limited, Subarna Jewels Private Limited, Mudrika Jewels Private Limited and Smart Gold Jewel House Private Limited with Easy Fit Jewellery Private Limited. The Hon'ble High Court has approved the scheme on October 28, 2009 and once we receive the certified copy of the scheme and file the same with the RoC, these companies shall merge with our Easy Fit Jewellery Private Limited.

The Company has raised Rs. 4500 lacs through Commercial Papers (short term borrowing).

Factors Affecting Results of our Operation

Our financial condition and results of operations are affected by following factors

General Economic Conditions

We are likely to be affected by general economic conditions prevailing in the country where we operate and also the countries where we export. Growth rates of the economy and income levels of consumers are one of the determinants of demand in the textile industry. According to the November 2008 update of the World Economic Outlook issued by the International Monetary Fund (IMF), global real GDP growth on a purchasing power parity basis is projected to decelerate from 3.7% in 2008 to 2.2 percent in 2009. The US, the UK, Europe and Japan which together accounted for nearly half of world GDP in 2007, are officially in recession.

Middle-East region continues to be a major export market for our Company. A slowdown in these economies translates to lower consumer spending and a consequent risk of lower jewellery exports to those markets. Our Company is looking to mitigate this risk by spreading the geographical reach thereby broadening the export client base.

Growth of new customers and increased sales to existing customers

Our revenues are dependant on growth of new customers and increase in sales to existing customers. We seek to leverage our long-term relationships with our existing customers to gain new customers. The number of customers of our Company has increased over a period of time as depicted in table below.

Particulars	Unit	Six months ended September 30, 2009	FY 2009	FY 2008	FY 2007
Total sales	Rs. in lacs	130,014.24	2,14,850.12	1,27,380.66	82,403.75
Exports Sales	Rs. in lacs	123,311.45	2,13,187.72	1,19,907.89	71,470.03
Share of Total Sales	%	94.84	99.23	94.14	86.73
Share of exports to UAE	%	36.62	48.78	71.56	78.84
Export customers	Nos.	18	26	22	18

Although the UAE remains one of the important exports markets for our Company, we have reduced our dependence on UAE as reflected in table above by diversifying into new geographies such as Singapore and Hong Kong.

Raw material availability and cost

Gold is the primary raw material that we use to produce hand crafted jewellery. The price fluctuation of gold, however, does not affect our margins because gold is a pass through. The price at which our customer fixes the gold content of the jewellery determines the price at which we fix our purchase price to our vendor. Hence, we are insulated against the fluctuations in gold prices and do not indulge in any speculations on the same.
We primarily source our raw-material requirement i.e. gold from Ibrahim Al-Sayegh Jewellery FZE, Al-Marhaba Trading FZC, Standard Chartered Bank, the Bank of Nova Scotia and the State Trading Corporation of India. We have a continuing relationship with these suppliers. However since we are dependent on these suppliers for the raw material, if there is a breakdown of our relationship with them or they fail to supply gold to us for any reason whatsoever, it may affect our operations adversely.

Proposed Expansion plans

Our revenues and net profit have increased with our capacity expansions over the last several years, and we may further expand our capacity to meet increased demand and our growth objectives.

After the completion of our expansion plans, we expect to benefit from increased economies of scale and improved efficiency, which will have a positive impact on our gross margins.

Further, our Company has undertaken expansion of its production capacities based on its estimates of market demand and profitability. In the event of non-materialisation of our estimates and expected orders due to factors including adverse economic scenario, change in demand, change in fashion, etc., our capacities may not be fully utilised thereby adversely impacting our financial performance.

The growth of our retail operations, whether directly or through shop in shop or franchisee will continue to be dependent principally upon, the opening of new outlets and expanding on our existing marketing and distribution network, increased sales volume and profitability from our existing and new outlets, set up under various models. For details on our retail operations, please see “Objects of the Issue” and “Business Overview” on page 35 and 83 respectively of this Red Herring Prospectus. The ability to operate our existing and new outlets profitably is subject to commission of our new manufacturing facilities at Domjur and Mondalpara various contingencies, many of which are beyond our control. For details on our proposed expansion plans, please see "Objects of the Issue" on page 35 of this Red Herring Prospectus.

Government Incentives

We benefit from a number of government incentives that are available to us as a gems and jewellery company having its manufacturing facilities located in a SEZ. This benefit entitles us to direct and indirect taxation benefits and fast and secure custom clearance and dispatch. These benefits allow us to reduce costs of production and consequently enable us to price our products competitively. These incentives are subject to change as a result of changes in applicable laws or other regulatory authorities. Changes have occurred in the past and are likely to occur in the future and any such changes could materially affect our profitability. For details please refer section titled "Regulations & Policies".

Demand for our Products

The demand for our products is determined by fluctuations in price of gold, changes in consumer preference from gold to diamonds & other stones, changes in consumer preference from handmade to machine made jewellery,. Further, jewellery forms part of the discretionary purchases for consumers having higher disposable income. Any reduction in consumer spending or disposable income may affect demand of our products

We are proposing to cater to customers across categories by diversifying our product base by setting up a new manufacturing units for manufacture of diamond studded jewellery alongwith an electroforming plant, Machine made Italian jewellery & unit for manufacture of bangles.

Significant Accounting Policies

For details of significant accounting policies, applicable to our Company Please refer to section "Financial Information" on page 158 of this Red Herring Prospectus.

DISCUSSION ON RESULTS OF OUR STANDALONE OPERATION

The following discussion is based on our restated standalone financial statements for the FY 2009, 2008,2007 and 2006. Our Company has started preparing consolidated accounts w.e.f. FY 2007-2008, since there were no subsidiaries prior to FY 2007.

The following discussion on the financial operations and performance should be read in conjunction with the restated standalone audited financial results of our Company for the years ended 31 March 2009, 2008, 2007 amd 2006. The summary statement of profit & losses, as restated is as under:

			For the year ended March 31,							
Particulars	**Six months ended September 30, 2009**	**% to Total Income**	**2009**	**% to Total Income**	**2008**	**% to Total Income**	**2007**	**% to Total Income**	**2006**	**% to Total Income**
Income:										
Sales Of Products Manufactured By The Company	**126,490.59**	**95.41**	**214,332.69**	**96.62**	**126,160.82**	**98.33**	**74,624.18**	**90.21**	**12,545.48**	**98.67**
Sale Of Traded Goods	3,523.65	2.66	517.43	0.23	1,219.84	0.95	7,779.57	9.40	-	-

Particulars	Six months ended September 30, 2009	% to Total Income	For the year ended March 31, 2009	% to Total Income	2008	% to Total Income	2007	% to Total Income	2006	% to Total Income
Total Sales	**130,014.24**	**98.06**	**214,850.12**	**96.86**	**127,380.66**	**99.28**	**82,403.75**	**99.61**	**12,545.48**	**98.67**
Service income and other income	2565.91	1.94	6,969.83	3.14	921.98	0.72	321.06	0.39	169.11	1.33
Total Income	**132,580.15**	**100**	**221,819.95**	**100.00**	**128,302.64**	**100.00**	**82,724.82**	**100.00**	**12,714.59**	**100.00**
Expenditure:										
Raw Materials Consumed	116,101.87	87.57	199,428.65	89.91	117,239.27	91.38	70,307.32	84.99	11,272.61	88.66
Purchase Of Traded Goods	3,703.95	2.79	514.91	0.23	1,412.79	1.10	7,299.87	8.82	-	
Other Manufacturing Cost	87.64	0.07	121.20	0.05	303.26	0.24	203.80	0.25	187.30	1.47
(Increase) / Decrease In Inventories	-943.88	-0.71	(909.41)	(0.41)	(3,630.61)	(2.83)	(1,783.40)	(2.16)	(54.88)	(0.43)
Net Material Consumption	**118,949.58**	**89.72**	**199,155.35**	**89.78**	**115,324.71**	**89.88**	**76,027.59**	**91.90**	**11,405.03**	**89.70**
Staff Costs	520.82	0.39	1,114.62	0.50	871.34	0.68	167.54	0.20	27.55	0.22
Administation expenses	1,143.31	0.86	1,075.36	0.48	816.46	0.64	250.93	0.30	35.39	0.28
Selling And Distribution Expenses	115.08	0.09	322.88	0.15	352.91	0.28	16.48	0.02	15.04	0.12
Profit Before Interest, Depreciation & Tax and adjustments	**11,851.36**	**8.94**	**20,151.74**	**9.08**	**10,937.21**	**8.52**	**6,262.27**	**7.57**	**1,231.56**	**9.69**
Depreciation / Amortization	100.20	0.08	183.78	0.08	157.31	0.12	134.20	0.16	6.33	0.05
EBIT	**11,751.16**	**8.86**	**19,967.96**	**9.00**	**10,779.90**	**8.40**	**6,128.07**	**7.41**	**1,225.23**	**9.64**
Interest & Finance Charges	3,618.07	2.73	6,623.59	2.99	1,944.50	1.52	885.76	1.07	97.96	0.77
Profit Before Tax	**8,133.09**	**6.13**	**13,344.37**	**6.02**	**8,835.41**	**6.89**	**5,242.32**	**6.34**	**1,127.27**	**8.87**
Provision For Tax – Current Tax	170	0.13	100.00		220.11		193.20		6.50	
Wealth Tax	-	-	0.75		0.21		0.33		-	
-Deferred Tax	-32.81	-0.02	(9.95)		(116.11)		(41.13)		(0.23)	
-Fringe Benefit Tax	-	-	8.50		13.51		5.86		2.01	
Profit After Tax Before Extraordinary Items	7,995.90	6.03	13,245.07	5.97	8,717.69	6.79	5,084.06	6.15	1,118.99	8.80
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
Profit After Tax After Extraordinary Items as per	**7,995.90**	**6.03**	**13,245.07**	**5.97**	**8,717.69**	**6.79**	**5,084.06**	**6.15**	**1,118.99**	**8.80**

Particulars	Six months ended September 30, 2009	% to Total Income	For the year ended March 31, 2009	% to Total Income	2008	% to Total Income	2007	% to Total Income	2006	% to Total Income
Audited Accounts										
Profit After Tax After Extraordinary Items as Restated	**7,995.90**	**6.03**	**13,245.07**	**5.97**	**8,965.52**	**6.99**	**4,853.23**	**5.87**	**1,116.51**	**8.78**

Financial performance of six months ended September 30, 2009

- **Total sales:** Our total sale for the six months ended September 30, 2009 is Rs. 130,014.24 lacs. Break-up of total sales is as under:

Products	**Six months ended September 30, 2009**		
	Quantity	**Value (Rs. in lacs)**	**Average Value Realised (Rs.)**
Gold Jewellery (gms)	51,66,266	81,577.65	1,579.04
Medallion (gms)	1,29,035	1,914.55	1,483.74
Precious/Semi Precious Stones (Carats)	24,76,959	46,522.04	1,878.19
Total		**1,30,014.24**	

- **Service income and other income:**

  Our service income and other income for the six months ended September 30, 2009 are Rs. 2,565.91 lacs.

- **Net material consumption:**

  Our net material consumption for the six months ended September 30, 2009 is Rs. 118,949.58 lacs. Net material consumption as a percentage of total income has remained the same at around 89.72% for the Six months ended September 30, 2009 as against 89.78% in FY2009 and 89.88% in FY2008. The reason for no significant increase in the net material consumption is because the raw materials procured by us such as gold, precious and semi precious stones are a pass through cost for us. Hence we have not been affected by the fluctuations in price of raw materials.

- **Staff cost:**

  Our staff cost for the six months ended September 30, 2009 is Rs. 520.82 lacs that is 0.39% of the total income.

- **Administration expenses**

  Our operating and administrative for the Six months ended September 30, 2009 is Rs. 1,143.31 lacs that is 0.86% of the total income.

- **Selling and distribution expenses**

Our selling and distribution expenses for the six months ended September 30, 2009 is Rs.115.08 lacs. Selling and distribution as a percentage of total income was 0.09% in six months ended September 30, 2009

- **Interest and finance charges**

Our interest and finance charges for the Six months ended September 30, 2009 is Rs.3,618.07 lacs. As part of the accounting policy followed by us, the interest and finance charges are not netted off against interest income of Rs. 2,253.01 lacs earned on amount invested in fixed deposits.

Our Company`s secured loans were Rs 37,652.32 lacs in Six months ended September 30, 2009.

- **Profit after tax after extraordinary items as restated:**

Our profit after tax for the six months ended September 30, 2009 is Rs.7,995.90 lacs which is 6.03% of our total income.

Comparison of the financial performance of FY 2009 with FY 2008

- **Total sales:** Our total sales increased from 68.67% from Rs 1,27,380.66 lacs in FY2008 to Rs 214,850.12 lacs in FY2009, driven by growth in sales of gold jewellery and precious and semi precious stones. Break-up of total sales is as under:

Products	FY2009			FY2008			Growth (%)		
	Quantity	Value (Rs. In lacs)	Average Value Realised (Rs.)	Quantity	Value (Rs. In lacs)	Average Value Realised (Rs.)	Quantity	Value	Average Value Realised
Gold Jewellery (gms)	1,23,47,610	1,90,437.45	1,542.30	1,06,64,099	120,234.43	1,127.47	15.79	58.39	36.79
Medallion (gms)	11,754	144.85	1,232.35	6,24,658	5,687.34	910.47	(98.12)	(97.45)	35.35
Precious/Semi Precious Stones (Carats)	27,69,475	24,267.82	876.26	5,33,153	1,458.89	273.63	419.45	1,563.44	220.23
Total		**2,14,850.12**			**1,27,380.66**			**68.67**	

As shown in the table above, the quantity of gold jewellery sold by our Company increased by 15.79% in FY 2009 as compared to the previous year and the quantity of precious/semi precious stones studded in jewellery sold by us increased by 419.45%. We also reduced our dependence on medallions as reflected in the reduction in quantity of medallions sold by us. Also the average realization from the sale of our products increased from Rs. 1,127.47 per gram of gold jewellery sold in FY 2008 to Rs. 1,542.30 per gram of gold jewellery sold in FY 2009.

- **Service income and other income:**

Our serive income and other income increased by 655.96% from Rs 921.98 lacs in FY 2008 to Rs 6,969.84 in FY 2009 lacs due to increase in interest income, driven by increase in amount invested in fixed deposits (kept as margin for our working capital limits) to facilitate import of raw material and for bill discounting and due to exchange gain earned in the normal course of business.

- **Net material consumption:**

  Our net material consumption increased by 72.69% from Rs 1,15,324.71 lacs in FY2008 to Rs 1,99,155.35 lacs in FY2009 reflecting the increase in total sales. Net material consumption as a percentage of total income has remained stable at around 89.78% in FY2009 as against 89.88% in FY2008. The reason for no significant increase in the net material consumption is because the raw materials procured by us such as gold, precious and semi precious stones are a pass through cost for us. Hence we have not been affected by the fluctuations in price of raw materials.

- **Staff cost:**

  Our staff cost increased by 27.92% from Rs. 871.34 lacs in FY 2008 to Rs. 1,114.62 lacs in FY 2009 due to increase in our headcount to 602 in FY 2009 as against headcount of 463 in FY 2008 as a result of increase in our operations. However staff cost as a percentage to total income has reduced from 0.68% in FY 2008 to 0.50% in FY 2009.

- **Administration expenses**

  Our operating and administrative expenses increased by 31.71% from Rs.816.46 lacs in FY 2008 to Rs.1,075.36 lacs in FY 2009 due to increase in our operations. However, operating and administrative expenses as a percentage of total income have reduced from 0.64% in FY 2008 to 0.48% in FY 2009.

- **Selling and distribution expenses**

  Our Selling and distribution expenses decreased by 8.51% from Rs 352.91 lacs in FY2008 to Rs 322.88 lacs in FY2009. Selling and distribution as a percentage of total income decreased from 0.28% in FY2008 to 0.15% in FY2009The reduction in selling and distribution expenses was due to our conscious cost saving efforts during theglobal slowdown.

- **Interest and finance charges**

  Our interest and finance charges increased by 240.63% from Rs 1,944.50 lacs in FY2008 to Rs 6,623.59 lacs in FY 2009 primarily due to increase in buyers credit facility, post shipment credit availed from banks and other working capital facilities. As part of the accounting policy followed by us, the interest and finance charges are not netted off against interest income earned on amount invested in fixed deposits. Our buyers credit facility and post shipment credit have increased from Rs 8,524.97 lacs and Rs 841.25 lacs in FY 2008 to Rs 32,051.71 lacs and Rs 2,157.85 lacs in respectively FY 2009.

  During FY 2009, our Company incurred Rs 6,623.59 lacs as interest and finance charges, compared to Rs 1,944.50 lacs in FY2008. Our Company`s secured and unsecured loans have increased to Rs 35,067.10 lacs in FY2009, as compared to Rs 12,175.00 lacs in FY2008.

- **Profit after tax after extraordinary items as restated:**

  Our profit after tax increased by 47.73% from Rs 8,965.52 lacs in FY2008 to Rs 13,245.07 lacs in FY 2009 () primarily due to increase in total sales. Our profit after tax as a percentage of total income have declined from 6.99% in FY 2008 to 5.97% in FY2009 primarily due to increase in borrowing costs.

Comparison of the financial performance of FY 2008 with FY 2007

- **Total sales:**

Our total sales increased by 54.58% from Rs 82,403.75 lacs in FY2007 to Rs 1,27,380.66 lacs in FY 2008, driven by strong growth in sales of gold jewellery and precious and semi precious stones. Break-up of total sales is as under:

Products	FY2008			FY2007			Growth (%)		
	Qty	Value (Rs. in lacs)	Average Value Realised (Rs.)	Qty	Value (Rs. in lacs)	Average Value Realised (Rs.)	Qty	Value	Average Value Realised
Gold Jewellery (gms)	1,06,64,099	120,234.43	1,127.47	53,59,980	54,027.03	1,007.97	98.96	122.54	11.86%
Medallion (gms)	6,24,658	5,687.34	910.47	27,48,439	26,380.03	959.82	(77.27)	(78.44)	(5.14)
Precious/Semi Precious Stones (Carats)	5,33,153	1,458.89	273.63	7,22,977	1,996.69	276.18	(26.26)	(26.26)	(0.92)
Total		**1,27,380.66**			**82,403.75**			**54.58**	

In FY 2008, the quantity of gold jewellery sold by us increased by 98.96% over FY 2007. We also reduced our dependence on medallions as reflected in the reduction in quantity of medallions sold by us. The average realization from the sale of our products increased from Rs. 1,007.97 per gram of gold jewellery sold in FY 2007 to Rs. 1,127.47 per gram of gold jewellery sold in FY 2008.

- **Other income and service income**

Our income and service income increased by 187.16% from Rs 321.07 lacs in FY 2007 to Rs 921.98 lacs in FY 2008 due to increase in interest income, driven by increase in amount invested in fixed deposits (kept as margin for our working capital limits) to facilitate import of raw material and for bill discounting.

- **Net material consumption:**

Our net material consumption increased by 51.69% from Rs 76,027.59 in FY 2007 to Rs 1,15,324.71 in FY 2008. Net material consumption as a percentage of total income decreased to 89.88% in FY2008 from 91.90% in FY2007, reflecting cost efficiencies. Also we consciously changed our product mix by reducing the sales of medallions and increasing the sales of hand-crafted jewellery. Further in FY 2007 we had to depend upon getting our products manufactured on outsourced basis.

- **Staff costs:**

Our staff costs increased by 420.08% from Rs. 167.54 lacs in FY 2007 to Rs. 871.34 lacs in FY 2008 due to increase in our headcount to 463 in FY 2008 as against headcount of 149 in FY 2007 as a result of increase in our operations. Staff costs as a percentage of total income increased from 0.20% in FY 2007 to 0.68% in FY 2008.

- **Administration expenses:**

Our administration expenses increased by 225.37% from Rs.250.93 lacs in FY 2007 to Rs 816.46 lacs in FY 2008 due to increase in our operations. Operating and administrative expense as a% to total income increased from 0.30% in FY 2007 to 0.64% in FY2008.

- **Selling and distribution expenses:**

Our Selling and distribution expenses increased by 2,041.44% from Rs 16.48 lacs in FY 2007 to Rs 352.91 lacs in FY 2008. Selling and distribution expenses as a percentage of total income to the sales increase shareply from 0.02% in FY 2007 to 0.28% in FY 2008 due to increase in sales promotion expenses and commission charges.

- **Interest and finance charges:**

Our interest and finance charges increased by 119.53% from Rs 885.76 lacs in FY 2007 to Rs 1,944.50 lacs in FY 2008 primarily due to increase in buyers credit facility, post shipment credit availed from banks and other working capital facilities. As part of the accounting policy followed by us, the interest and finance charges are not netted off against interest income earned on amount invested in fixed deposits.

- **Profit after tax after extraordinary items as restated:**

Our profit after tax increased by 84.73% from Rs 4,853.22 lacs in FY2007 to to Rs 8,965.52 lacs on account of increase in sales turnover. Profit after tax as a percentage of total income has improved from 5.87% in FY 2007 to 6.99% in FY2008 primarily due to change in product mix.

Comparison of the financial performance of FY 2007 with FY 2006

- **Total Sales:**

Our total sales increased by 556.84% from Rs 12,545.46 lacs in FY 2006 to Rs 82,403.75 lacs in FY2007. The increase can be attributable to the scheme of amalgamation as described in "History and Certain Corporate Matters" on page 102 of this Red Herring Prospectus. Break-up of total sales is as under:

Products	FY2007			FY2006			Growth (%)		
	Qty	Value (Rs. in lacs)	Average Value Realised (Rs.)	Qty	Value (Rs. in lacs)	Average Value Realised (Rs.)	Qty	Value	Average Value Realised
Gold Jewellery (gms)	53,59,980	54,027.03	1,007.97	8,28,021	6,142.76	741.86	547.32	779.53	35.87
Medallion (gms)	27,48,439	26,380.03	959.82	6,36,800	5,675.78	891.30	331.60	364.78	7.69
Precious/Semi Precious Stones (Carats)	7,22,977	1,996.69	276.18	3,36,015	726.94	216.34	115.16	174.67	27.66
Total		**82,403.75**			**12,545.48**			**556.84**	

During FY 2007, the quantity of gold jewellery, medallions and precious/semi precious stones sold by our Company showed an increase of 547.32%, 331.60% and 115.16% respectively as compared to the previous year. In addition, the average realization from the sale of our products increased from Rs. 741.86 per gram of gold jewellery sold in FY 2006 to Rs. 1,007.97 per gram of gold jewellery sold in FY 2007.

- **Other income and service income**

Our other income and service income increased 89.86% from Rs 169.11 lacs in FY 2006 to Rs 321.07 lacs due to increase in interest income, driven by increase in amount invested in fixed deposits (kept as margin for our working capital limits).

- **Net material consumption:**

Our net material consumption increased by 566.61% from Rs 11,405.03 in FY 2006 to Rs 76,027.59 in FY 2007. Net material consumption as a percentage of total income increased to 91.90% in FY2007 from 89.70% in FY2006 due to increased dependence on outsourcing of manufacturing operations.

- **Staff costs:**

Our staff costs increased by 508.13% from Rs 27.55 lacs in FY 2006 to Rs 167.54 lacs in FY 2007 due to increase in our headcount to 149 in FY 2007 as against headcount of 49 in FY 2006 as a result of increase in our operations. However staff costs as a percentage of total income decreased from 0.22% in FY 2006 to 0.20% in FY 2007.

- **Administration expenses:**

Our administration expenses increased by 609.04% from Rs.35.39 lacs in FY 2006 to Rs.250.93 lacs in FY 2007 due to increase in our operations. Operating and administrative expenses as a percentage of total income have increased from 0.28% in FY 2006 to 0.30% in FY 2007.

- **Selling and distribution expenses:**

Our selling and distribution expenses increased by 9.57% from Rs 15.04 lacs in FY 2006 to Rs 16.48 lacs in FY 2007. However selling and distribution expenses as a percentage of total income has decreased from 0.12% in FY 2006 to 0.02% in FY 2007.

- **Interest and finance charges:**

Our interest and finance charges increased by 804.21% from Rs 97.96 lacs in FY 2006 to Rs 885.76 lacs in FY 2007. Our Company's secured and unsecured loans have increased to Rs. 1,136.05 lacs in FY 2007 from Rs. 1,125.45 lacs in FY 2006.

- **Profit after tax after extraordinary items as restated:**

Our profit after tax increased by 334.68% from Rs 1,116.51 lacs in FY2006 to Rs 4,853.22 lacs on account of increase in sales turnover. Profit after tax as a percentage of total income declined from 8.78% in FY 2006 to 5.87% in FY2007 due to increased dependence on outsourcing of manufacturing operations.

Financial Condition and Liquidity

(Rs. in lacs)

Restated Cash Flows	Six months ended September 30, 2009	FY 2009	FY 2008	FY 2007
Net cash provided/(Used) by				
Operating activities	4,599.38	11,185.96	5,132.64	1,741.28
Investing activities	(1,159.15)	(209.21)	(1,088.96)	2,159.33
Financial activities	5,166.62	17,711.86	17,708.36	(315.25)
Net cash surplus	**8,606.85**	**28,688.61**	**21,752.04**	**3,585.34**

During the Six months ended September 30, 2009, cash generated from operating activities was Rs 4,599.38 lacs, cash flow used in investing activities was Rs 1,159.15 lacs and cash flow from financing activities was Rs 5,166.62 lacs. As a result free cash generated during September 30, 2009 were Rs 8,606.85 lacs.

During the FY 2009, cash generated from operating activities was Rs 11,185.96 lacs, cash flow used in investing activities was Rs 209.21 lacs and cash flow from financing activities was Rs 17,711.86 lacs. As a result free cash generated during FY 2009 were Rs 28,688.61 lacs.

During FY 2008, cash generated from operating activities was Rs 5,132.64 lacs, cash flow used in investing activities was Rs 1,088.96 lacs & cash flow from financing activities were Rs 17,708.36 lacs. As a result free cash generated during FY 2009 was Rs 21,752.02 lacs.

During FY 2007, cash generated from operating activities was Rs 1,741.28 lacs, cash flow generated from investing activities was Rs 2,159.33 lacs & cash flow used in financing activities were Rs 315.25 lacs. As a result free cash generated during FY 2009 was Rs 3,585.34 lacs.

Liabilities and Sources of Financing

The following table sets forth our stand alone secured and unsecured loans:

(Rs. in lacs)

	Six months ended September 30, 2009	FY 2009	FY 2008	FY 2007
Secured loan	37,652.32	34,502.79	10,821.78	624.35
Unsecured loan	-	564.31	1,353.22	511.70
Total Borrowings	37,652.32	35,067.10	12,175.00	1,136.05

For further details refer to the chapter “Financial Indebtedness” beginning of page 294 of this Red Herring Prospectus.

Liquidity and capital resources

We finance our capital requirements through cash generated from operations, debt and equity. As of January 31, 2010, our outstanding borrowings were Rs 1,57,322.63 lacs. We believe that we have sufficient resources available to us to meet our planned capital requirements. The current capital expenditure is to be funded through mixture of internal accruals and equity.

DISCUSSION ON RESULTS OF OUR CONSOLIDATED OPERATION

The following discussion is based on our restated consolidated financial statements for the FY 2009 and FY 2008. Our Company has started preparing consolidated accounts with effect from FY 2008, since there were no subsidiaries prior to FY 2007.

The following discussion on the financial operations and performance should be read in conjunction with the restated consolidated audited financial results of our Company for the years ended 31 March 2009 and 2008. The summary statement of profit & losses, as restated is as under:

(Rs. in lacs)

	Half Yearly		For the year ended March 31,			
Particulars	**Six months ended September 30, 2009**	**% to Total Income**	**2009**	**% to Total Income**	**2008**	**% to Total Income**
Income:						

Particulars	Half Yearly		For the year ended March 31,			
	Six months ended September 30, 2009	% to Total Income	2009	% to Total Income	2008	% to Total Income
Sales Of Products Manufactured By The Company	**133,599.95**	**92.32**	**2,29,099.80**	**77.86**	**1,43,382.91**	**97.34**
Sale Of Traded Goods	8,380.27	5.79	56,788.07	19.30	2,538.18	1.72
Total Sales	**141,980.22**	**98.12**	**2,85,887.87**	**97.16**	**1,45,921.09**	**99.06**
Service income and other income	2726.98	1.88	8,366.99	2.84	1,383.29	0.94
Total Income	**144,707.20**	**100**	**2,94,254.86**	**100.00**	**1,47,304.38**	**100.00**
Expenditure:						
Raw Materials Consumed	122,833.72	84.88	2,13,364.60	72.51	1,33,589.99	90.69
Purchase Of Traded Goods	8,467.29	5.85	57,821.02	19.65	3,070.92	2.08
Other Manufacturing Cost	97.10	0.07	135.51	0.05	339.24	0.23
(Increase) / Decrease In Inventories	(945.07)	(0.65)	(1,031.56)	(0.35)	(3,630.61)	(2.46)
Net Material Consumption	**130,453.04**	**90.15**	**2,70,289.57**	**91.86**	**1,33,369.54**	**90.54**
Staff Costs	540.59	0.37	1,136.67	0.39	874.04	0.59
Administrative Expenses	1,237.58	0.86	1,236.71	0.42	925.79	0.63
Selling And Distribution Expenses	116.60	0.08	403.80	0.14	353.05	0.24
Profit Before Interest, Depreciation & Tax and adjustments	**12,359.39**	**8.54**	**21,188.11**	**7.20**	**11,781.96**	**8.00**
Depreciation / Amortization	109.59	0.08	199.17	0.07	162.43	0.11
EBIT	**12,249.47**	**8.47**	**20,988.94**	**7.13**	**11,619.53**	**7.89**
Interest & Finance Charges	4,021.46	2.78	7,455.24	2.53	2,600.23	1.77
Profit Before Tax	**8,228.34**	**5.69**	**13,533.70**	**4.60**	**9,019.30**	**6.12**
Current tax	198.46	0.14	172.41		270.71	
Deferred tax charge/(release)	-34.30	(0.02)	(10.16)		(116.88)	
Wealth Tax	-		0.75		0.21	
Fringe Benefit Tax	-		9.26		13.51	
Profit After Tax Before Adjustments	8,064.18	5.57	13,361.44	4.54	8,851.75	6.01
Share of loss from associate	0	0	0.00	0.00	0.11	0.00
Profit After Tax After Extraordinary Items as Restated	**8,073.19**	**5.58**	**13,358.97**	**4.54**	**9,077.53**	**6.16**
Minority Interest	**4.97**	**0.00**	**17.17**		**10.48**	
Profit After Tax After Extraordinary Items and minority interest as Restated	**8,068.22**	**5.58**	**13,346.70**	**4.54**	**9,067.05**	**6.16**

Financial performance of six months ended September 30, 2009

- **Total sales:** Our total sale for the six months ended September 30, 2009 is Rs. 141,980.22 lacs.

- **Service income and other income:**

  Our service income and other income for the six months ended September 30, 2009 are Rs. 2,726.98 lacs which is 1.88% of the total income.

- **Net material consumption:**

  Our net material consumption for the six months ended September 30, 2009 is Rs. 130,453.04 lacs that is 90.15% as against 91.86% in FY2009 as as a percentage of total income as during the period stone sale has increased.

- **Staff cost:**

  Our staff cost for the six months ended September 30, 2009 is Rs. 540.59 lacs that is 0.37% of the total income.

- **Administration expenses**

  Our operating and administrative for the Six months ended September 30, 2009 is Rs. 1,237.58 lacs.

- **Selling and distribution expenses**

  Our Selling and distribution expenses for the six months ended September 30, 2009 is Rs.116.60 lacs. Selling and distribution as a percentage of total income was 0.08% in six months ended September 30, 2009

- **Interest and finance charges**

  Our interest and finance charges for the six months ended September 30, 2009 is Rs.4,021.46 lacs. As part of the accounting policy followed by us, the interest and finance charges are not netted off against interest income earned on amount invested in fixed deposits.

- **Profit after tax after extraordinary items as restated:**

  Our profit after tax for the six months ended September 30, 2009 is Rs.8,073.19 lacs which is 5.58% of our total consolidated income.

Comparison of the financial performance of FY 2009 with FY 2008

- **Total sales:**

  Our total sales increased by 95.92% from Rs 1,45,921.09 lacs in FY2008 to Rs 2,85,887.87 lacs in FY2009, driven by growth in sales of gold jewellery and precious and semi precious stones. Break-up of total sales is as under:

	FY 2009	FY 2008	Growth (%)
Sales of products manufactured by the Company	2,29,099.80	1,43,382.91	59.78%
Sales of traded goods	56,788.07	2,538.18	2137.35%
Total Sales	**2,85,887.87**	**1,45,921.09**	**95.92%**

As shown in the table above, our sales of the products manufactured by us has increased by 59.78% from Rs 1,43,382.91 lacs in FY2008 to Rs 2,29,099.80 lacs in FY 2009 primarily on account of increase in exports through the Manikanchan SEZ. Our sales of traded goods increased by 2137.35% from Rs 2,538.18 lacs in FY 2008 to Rs 56,788.07 lacs in FY 2009.

- **Other income:**

Our other income increased by 504.86% from Rs 1,383.29 lacs in FY 2008 to Rs 8,366.99 lacs in FY 2009 due to increase in interest income, driven by increase in amount invested in fixed deposits (kept as margin for our working capital limits) to facilitate import of raw material and for bill discounting and due to exchange gain earned in the normal course of business.

- **Net material consumption:**

Our net material consumption increased by 102.66% from Rs 1,33,369.54 lacs in FY 2008 to Rs 2,70,289.57 lacs in FY 2009 reflecting the increase in total sales. Our net material consumption as a percentage to total income has increased from 90.54% in FY2008 to 91.86% in FY2009 primarily due to increase in sales of goods traded in our subsidiaries.

- **Staff cost:**

Our staff cost increased by 30.05% from Rs. 874.04 lacs in FY 2008 to Rs. 1,136.67 lacs in FY 2009 due to increase in our headcount as a result of increase in our operations. However staff cost as a percentage to total income has reduced from 0.59% in FY 2008 to 0.39% in FY 2009.

- **Administrative expenses:**

Our administrative expenses increased by 33.58% from Rs. 925.79 lacs in FY 2008 to Rs. 1,236.71 lacs in FY 2009 due to increase in our operations. However, operating and administrative expenses as a percentage to total income have reduced from 0.63% in FY 2008 to 0.42% in FY 2009.

- **Selling and distribution expenses:**

Our selling and distribution increased by 14.37% from Rs 353.05 lacs in FY 2008 to Rs 403.80 lacs in FY 2009. Selling and distribution expenses as a percentage to total income have reduced from 0.24% in FY2008 to 0.14% in FY 2009.

- **Interest and finance charges:**

Our interest and finance charges increased by 186.72% from Rs 2,600.23 lacs in FY2008 to Rs 7,455.24 lacs in FY 2009 primarily due to increase in buyers credit facility and post shipment credit availed from banks. As part of the accounting policy followed by our Company, the interest and finance charges are not netted off against interest income earned on amount invested in fixed deposits. Our buyers credit facility and post shipment credit have increased from Rs 8,524.97 lacs and Rs 841.25 lacs in FY 2008 to Rs 32,051.71 lacs and Rs 2,157.85 lacs in respectively FY 2009.

- **Profit after tax after extraordinary items as restated after minority interest:**

Our profit after tax after extraordinary items as restated increased by 47.20% from Rs 9,067.05 lacs in FY 2008 to Rs 13,346.70 lacs in FY 2009. Our profits after tax as a percentage of total income has decreased from 6.16% in FY 2008 to 4.54% in FY 2009 due to increase in sales of goods traded in our subsidiaries where the margins are low as compared to goods manufactured by our Company.

INFORMATION AS PER SCHEDULE VII PART A (1X) (E) OF THE SEBI ICDR

1. Unusual or infrequent events or transactions

Other than as stated in the section titled "Financial Statements" beginning on page 158 of this Red Herring Prospectus, there have been no unusual or infrequent transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as mentioned under "Factors Affecting Our Results of Operations" in "Management's Discussion and Analysis of Financial Condition & Results of Operations" on page 278 of this Red Herring Prospectus, we do not believe that there are any other significant economic changes that materially affect or are likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in this Red Herring Prospectus, particularly in "Risk Factors", "Business Overview" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages xv, 82 and 276 of this Red Herring Prospectus', to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or price that will cause a material change are known.

Other than as described in "Risk Factors", "Business Overview" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages xv, 82 and 276 of this Red Herring Prospectus, there are no relationships between costs and income that have or had or are expected to have a material adverse impact on our operations and finances.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

Changes in revenues during the last three fiscal years are explained in "Management's Discussion and Analysis of Financial Condition & Results of Operations" under the subsections "Comparison of the financial performance of FY 2009 with FY 2008 " and "Comparison of the financial performance of FY 2008 with FY 2007" under the respective paragraphs titled "Net Sales".

6. Total turnover of each major industry segment in which theCompany operates.

Our Company operates in only one segment i.e. manufacture of gold jewellery.

7. Status of any publicly announced new products or business segment.

Except as disclosed in "Business Overview" on page 82 of this Red Herring Prospectus, our Company has not publicly announced any new products.

8. The extent to which the business is seasonal.

Our Company's business is not seasonal, however, we experience higher sales during festive seasons.

9. Any significant dependence on a single or few suppliers or customers

Except as disclosed in "Business Overview" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages 82 and 276 of this Red Herring Prospectus, there is no significant dependence on a single or few suppliers or customers.

10. Competitive Conditions

Competitive conditions are described under "Risk Factors", "Industry Overview", "Business Overview" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on pages xv, 72, 82 and 276 of this Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

The details of borrowings of our Company as of January 31, 2010 are as follows:

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
Allahabad Bank PSC (FBN/FBP) Stand by LC Commercial papers February 8, 2009 and sanction letter for incremental sanction dated October 5, 2009	10,000.00 20,000.00	 2,932.03 7311.00 20,000.00	Repayment: Within the due date of the relative Export Bills. Rate of Interest: As per circular/FEDAI Rules.	• Charge over relative Export Bills. • Pledge of FDRs to 30% of the Bills purchased. • Cover under ECIBWTPS scheme of ECGC Ltd. • Guarantee of Mr. Nilesh Parekh & Mr. Umesh Parekh.
Axis Bank Foreign Bill Discounted (EBRD) May 21, 2008 sanction letter for incremental sanction dated December 10, 2009 Demand loan	12,500.00 The foreign bill discounting is interchangeable into a standby letter of credit	7946.00 1413.00	Repayment: On due dates In case of non-payment, the bills will be crystallized as per RBI regulations and interest on crystallized bills @ 2% will be recovered. Tenor: Maximum 180 days from the date of shipment. Rate of Interest: LIBOR (6 months) + 100 bps (inclusive of withholding tax) Overdrawing to attract penal interest @ 2% p.a.	**Primary:** 1) Export Bills with title to the goods duly endorsed in favour of the bank. 2) Pari Passu charge on current assets of our Company. **Collateral:** 1) Cover under WTPSG Scheme of ECGC. 2) Lien on FD (to the extent of 25% of the limit). 3) Personal guarantee of Mr. Nilesh Parekh, Chairman and Mr. Umesh Parekh, MD. 4) The security regarding pari passu charge on Current assets to be created within two months from the date of availment of limit.
Axis Bank Non-Fund Based – LER March 17, 2008	1,500.00	-	Tenor: for six months Rate of Interest: the LIBOR at the date of	Interest from the fixed deposit of Rs. 100 crores.

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
			transaction	
Axis Bank Buyers' Credit Limit June 17, 2009	15,000.00	8566.10	Tenor: 90 days Rate of Interest: LIBOR + 175 bps. The LIBOR would be fixed on a six monthly basis and interest is payable after completion of every six months on a rear end basis	Secured by 100% cash margin in the form of fixed deposits held under lien with the lender.
Bank of Baroda Foreign Sight/ Usance Documentary Bills Purchased/ Discounted with usance upto 180 days November 15, 2008	5,000.00	4,849.74	Rate of Interest: Upto 90 days from the date of advance 3.50% below BPLR Beyond 90 days from the date of advance and upto 180 days 0.25% above BPLR. BPLR is 13.25% p.a. at present. Penal interest at @ 2.00% in case of overdues.	**Primary:** Pari-passu 1st charge by way of hypothecation of entire stock of inventory, recievables and other chargeable current assets of the company. **Collateral:** Lien on Fixed Deposits for Rs. 15.00 crores. Personal Guarantee of Mr. Nilesh and Mr. Umesh Parekh.
Bank of India Foreign Bill Purchased (FBP) DP/DA – 180 days. Foreign Currency Based Bill Purchased (FCBP) DP/DA – 180 days May 26, 2008 Buyers' Credit	5,000.00	4617.55 965.89	INR: Present effective 9.5% p.a. upto 90 days and 13.00% beyond 90 days upto 180 days. Foreign Currency: 6 months LIBOR/Euro, LIBOR/EURIBOR + 100bps if transaction value is less than USD 10 lacs and 50bps if transaction value is more than USD 1000 lacs + 100 bps as transaction cost. If export bill is realized after due date but up to the date of crystallization then, captioned rate +	• 1st Pari Passu on stock and book debt. • Specific charge on bills submitted for purchase. • Lien on fixed deposit Rs. 1500 lacs as upfront margin. • Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
			200bps.	
Bank of Maharashtra Post Shipment Finance March 23, 2009	5,000.00	4,884.28	Sight bills to be paid within the normal transit period. In the case of usance bills, tenor shall not exceed 180 days from the date of bill of lading. INR: BPLR – 4.75% presently 8% upto 90 days. BPLR – 4.50% presently 8.25% above 90 days to 180 days. Foreign Currency: As per bank's extant guidelines presently at LIBOR + 350bps + withholding tax, wherever applicable.	• Lien on Export Bills/ Hypothecation of Export Recievables/ Charge on Current Assets. • Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. • Fixed Deposits of Rs. 15 crores (30% of exposure) • Cover under ECIBWTPS scheme of ECGC Ltd.
Corporation Bank Forward Purchase Contract January 27, 2009 Buyers' Credit Demand Loan	10,000.00	- 2272.84 1337.10	Commission: At the lender's prescribed rates.	The bank's lien shall be duly endorsed on the relative export orders / LCs / bills / purchase order in respect of which forward contracts have been booked.
Corporation Bank Forward Sale Contract January 27, 2009	700.00	-	Commission: At the lender's prescribed rates	The bank's lien shall be duly endorsed on the relative export orders / LCs / bills / purchase order in respect of which forward contracts have been booked.
Corporation Bank FDBN/FDBP/FDBD January 27, 2009 Sub Limit for BG cum SB LC cum Inland/Import – 700 lacs Sub Limit for	10,000.00	9297.48 -	Repayment: Sight bills to be paid within the normal transit period. In the case of usance bills tenor shall not exceed 180 days from the date of bill of lading. Rate of interest: Upto 270 days: 10.00%	• Hypothecation/first charge on inventory-cum-book debts/current assets. • Guarantee of Promotors and wholly owned subsidiary. • Mortgage of certain immovable properties

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
PCL/PCFC – 600 lacs			p.a. Beyond 270 days and upto 360 days: 13.00% p.a. (Subject to revision from time to time) Commission on BG and LC: At 50% concession in lender's prescribed rates. Stand by LC: 1.00% p.a. Validity period is 1 year Rate of Interest for PCL/ PCFC: At the bank's prescribed rate i.e. 10% per annum subject to review from time to time. Repayment for PCL/ PCFC: Each packing credit loan opened will have to be liquidated within a period not exceeding 90 days by negotiations / purchase / discount of export bills	of Company. • Advance under the limit will be covered under WTPSG of ECGC. Necessary reporting requirement shall be complied with. • The company is permitted to avail post shipment export credit limits in foreign currency at LIBOR (of relative duration) + 1.00% p.a. • The rate of interest of PSCFC facility shall be LIBOR of relative duration + 1.00% p.a. • All securities charged to the Bank shall be comprehensively insured against all risks for the full value at our Company's cost and the policy shall remain in the joint names of our Company and bank with bank clause duly incorporated therein. • In case the borrower commits default in the payment of any of the facilities or in the repayment of interest thereon or any of the agreed installment of any loan/advance on the due date/s, the bank and/ or the RBI will have an unqualified right to disclose or publish the name of the firm and its directors as defaulters in such manner and through medium as the Bank or RBI in their absolute

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
				discretion may deem fit. • Pledge of fixed deposits of the bank of Rs. 18.15 crores including fresh fixed deposits of Rs. 8.33 crores to be obtained **For BG and LC:** • Extension of Hypothecation/first charge on inventory cum book debts/current assets of the company. • Counter guarantee of our Company. **For PCL/ PCFC** • Hypothecation/ first charge on raw materials viz. gold bars, stock in process and finished goods comprising of gold Jewellery meant for exports and book debts/ current assets of our Company. • Advance under the limit shall be covered under WTPCG of ECGC. • The rate of interest for PCFC facility shall be LIBOR of relative duration + 1.00% p.a.
Export-Import Bank of India Post Shipment Credit Limit January 28, 2009	4,000	1295.58	INR 8.50% p.a. payable with monthly rests on the 20th of every month. USD LIBOR (6 months) + 300bps p.a., payable with quarterly rests on due dates to be advised at the time of first disbursement. To be repaid within 180	**Primary Security** • Exclusive charge on the entire current assets/recievables to be financed by Exim Bank. • First pari-passu charge with other banks over the entire current assets of the company, present and future (excluding assets having specific charge of respective financing banks under multiple banking

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
			days from the date of each disbursement or on realization of export proceeds, whichever is earlier.	system) • Assignment of ECGC Whole Turnover Post Shipment Guarantee Cover (65% of the Bill Value) in favour of Exim Bank. **Collatral Security** • Cash collateral by way of Fixed Deposit (interest bearing) to the tune of 25% of the facility i.e. Rs. 10 crores. • Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. • Post dated cheque(s) for the principal and interest amount under each disbursement.
IDBI Bank (Non-Fund Based) LC/Standby LC/BG for Buyer's Credit (TCBG) May 15, 2009	10,000.00 with a sub-limit of 500.00 for LER-Forex forwards	4,102.17	Repayment: Not beyond the tenor/validity (Tenor – Max 180 days, Validity – 1 year) Rate of Interest: Commission for the LC/BG/TCBG @ 0.3% per annum	• Bills with title to the goods duly endorsed in favour of the Bank. • Lien on FD to be made with IDBI Bank (100% margin) • Personal Guarantees of Mr. Nilesh Parekh and Mr. Umesh Parekh.
Indusind Bank Buyers Credit Facility September 16, 2008	20,000.00 20,000.00	3537.31 978.00 Nil	Term: For import of gold/ silver/ platinum/ palladium/ rhodium – maximum 90 days For import of other precious metals – maximum 180 days For import of precious and semi-precious stone – 360 days The sanction is renewable annually	100% cash margin in INR in the form of term deposits under lien

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
Forward Cover Limit September 16, 2008				
Karnataka Bank Post Shipment Credit May 4, 2009	7,500.00	7,421.90	BRDS – Sight Bills/ Usance bills upto 6 months. – LIBOR + 3.50% p.a. Bills realized after due date upto date of crystallization. – Rate of interest as above + 2.00% p.a. Demand Bills For NTP as specified by FEDAI and overdue upto 180 days from the date of advance – PLR - 4% Overdue Bills – Beyond 180 days from the date of advance up to 360 days from the date of shipment – PLR Overdue Bills – Beyond 360 days from the date of shipment – PLR + 2%. Usance Bills (For total period comprising usance period of export bills, transit period as specified by FEDAI, and grace period whenever applicable) Upto 180 days from the date of advance (including overdue period) – PLR – 4% Beyond 180 days from the date of advance and upto 360 days from the date of shipment – PLR Overdue Bills - Beyond 360 days from the date of shipment – PLR + 2%	**Prime:** 1) Goods covered under export bills accepted bills of exchange. **Collateral:** 1) Pledge of term deposits with face value of 25% of the limit. 2) ECGC credit cover under WTPSG. 3) Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.

Lender, facility granted and date	**Amount sanctioned (Rs in lacs)**	**Amount outstanding (Rs. in lacs)**	**Terms of repayment and rate of interest**	**Security and Other Conditions**
			Mode of Repayment – Realisation of Export Bills	
Punjab National Bank FOBP/FOUBP (DP/DA 180 days) April 20, 2009 supplemented by sanction letter dated October 19, 2009	10,000.00 interchangable working capital fund based limit into non-fund based limit upto 5,000	Nil 4584.79	Repayment: Usance bills up to 180 days will be considered for discounting. Interest Rate: BPLR – 2.50% presently 9.00% p.a.	**Primary:** • Documentary/ Usance export bills accompanied with shipping documents including Bill of Lading/ Airway Bill (as the case may be) drawn on foreign buyers/dealers covering consignment of exported goods. **Collateral:** • Lien on FD of Rs. 30 crores i.e. – 30% of the limit and hypothecation charge on chargeable current assets. • ECGC cover under Whole Turnover Post-Shipment Guarantee Scheme shall be obtained at borrower's cost. • Personal guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.
Standard Chartered Standby Letter of Credit/Payment Undertaking April 17, 2009	USD 30,000,000 (Rs. 14,613 lacs) (Sub-limit – Buyer's Credit/ Payment Undertaking - USD 30,000,000) (Rs. 14,613 lacs)	2000.58	Rate of Interest/Commission: At the rate as negotiated with and agreed by the Bank (subject to RBI Guidelines in case of Payment Undertaking) Term of Repayment / Maturity Period: Maximum upto 12 months (Sub-limit – 90 days for gold and 360	• Pari-Passu first charge on all the current assets, both present and future. • Personal guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh. • Cash margin of 10% in form of fixed deposits.

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
		11407.73	days for diamond)	
State Bank of India Foreign Bill Discounting (FBD) February 3, 2009	10,000.00	9793.73	For Rupee Export Credit: Demand Bills (for transit period as specified by FEDAI) – 2.75% below SBAR, i.e. 9.5% Usance Bills (For total period comprising usance period of export bills, transit period as specified by FEDAI and grace period whenever applicable) – Upto 90 days – 2.75% below SBAR, i.e. 9.5%; Beyond 90 days and below 6 months from the date of shipment – 1.5% below SBAR, i.e. – 10.75% (for the period beyond 90 days only) For the overdue period up to 6 months from the date of shipment – SBAR plus 1.85%, i.e. – 14.10% Beyond 6 months from the date of shipment – SBAR plus 2.50%, i.e. – 14.75% Penalty for non-compliance with covenants – 1% p.a.	• Hypothecation of recievables of the bills discounted. • Cash collateral by way of Fixed Deposits to the tune of Rs. 30 crores. • Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.
Syndicate Bank FDBP/FUBP (LC/NLC) March 31, 2009 (Valid for period of 3 years)	5,000.00	969.21	Rate of Interest: PLR – 2.5%	• Export Documentary Bills discounted/ purchased both on sight/ usance of upto 180 days. • Pari-passu 1st charge by way of hypothecation of raw material / work in process / finished goods of the company. • Pari-passu 1st charge on receivables both exports

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
				and domestic of the company. • Cash margin of 25% • Buyer wise policy from ECGC to be obtained. **Collateral:** • Deposit of Rs. 1250 lacs is to be kept in lien in the name of the company with us. No separate loan against the deposit will be made available. • Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh.
UCO Bank Working Capital Fund Based – Export Packing Credit (EPC) Last renewal & enhancement letter – 28 February 2008	200.00	Nil	Period of Sanction: 1 year from the date of sanction. Rate of interest: As per extant guidelines. Default in repayment of installments on due dates – 2% p.a.	• Pari passu first charge on current assets except foreign bills where specific charge of the Bank Purchasing / Discounting the bill will be there. • Collateral security to be created in proportion to the availment of limits (i.e.- 30% collateral cover is to be maintained while disbursing the new limit)
UCO Bank FBP/FBD	4,800.00	4,907.38	Period of Sanction: 1 year from the date of sanction. Rate of interest: As notified by the bank from time to time	Document of title to goods of or Company
United Bank of India FBP/FBD Post Shipment Credit in Foreign Currency (PSC) May 9, 2008 and	10,000.00 (Total. Equal sub-limits from both facilities at Rs. 10,000.00 lacs)	9534.31	Repayment: 180 days from the date of the bill Rate of Interest:	**Primary:** • Hypothecation of Foreign Documentary Bills accompanied by Airway Bill/Bill of Lading drawn under

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
revised sanction letter dated September 11, 2009			FBP/FBD – Interest is as per bank's prevailing circular, depending upon the volume of business which will be charged at monthly rests subject to revision of interest rate from time to time as per bank's HO/RBI guidelines. PSCFC – At prevailing LIBOR linked rate of interest of our bank. The fund may be released subject to availability of D.P. and requisite foreign currency fund. The applicable rate of interest on the date of disbursement/roll over including margin on LIBOR will be decided by the Bank depending upon the market position.	confirmed order/LC within a usance period not exceeding 180 days from the date of Airway Bill/Bill of Lading routed through our bank. **Additional:** • First pari passu charge with other banks over the entire current assets of the company, present and future (excluding assets having specific charge of respective financing banks under multiple banking systems). • Lien on term deposits of Rs. 15 crores along with accrued value of interest thereon. Personal Guarantee of Mr. Nilesh Parekh and Mr. Umesh Parekh, covering the entire limit.
Yes Bank Limited Letter of Credit and Buyer's credit facility Sanction letter dated May 6, 2009 and revised sanction letter dated November 10, 2009	6,000.00 for Letters of Credit and 6,000.00 Buyer's credit facility	4,212.04	Commission: 0.30% per annum Valid till March 30, 2010	Secured by lien on fixed deposits held with Yes Bank Limited
State Bank of Mysore Foreign Bill Discounting Sanction letter dated November 5, 2009	5,000	4989.08	Rate of interest: 3.25% below BPLR ie, 9.00% per annum Period of sanction: 12 months from the date of sanction or from demand	**Security:** **Primary:** Hypothecation of receivables of the bills discounted and other current assets **Collateral:** Cash collateral of Rs. 1,500 lacs by way of fixed deposit

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
				Personal guarantee of the Promoters.
State Bank of Hyderabad Working capital facility Sanction letter dated September 17, 2009	5,000	2882.76	Rate of interest: 9.75% per annum Cash margin of Rs. 1,500 lacs at bulk rate of interest or card rate, which ever is lower Period of sanction: Till September 10, 2010	**Security:** **Primary:** Exclusive charge over the bills financed by the bank **Collateral:** Pari passu charge on the other current assets excluding the bills financed by other banks Personal guarantee of the Promoters
State Bank of Bikaner and Jaipur Fund based and non-fund based and forward contract Sanction letter dated January 2, 2010	4,500 for fund based and non-fund based limits 100 for forward contracts	NIL	Rate of interest: Demand Bills 9.50% per annum Usuance bills upto 180 days: 9.50% Usuance bills beyond 180 days; 14.75% Period of sanction: 12 months from the date of the sanction	**Security:** **Primary**: Exclusive charge by way of hypothecation over the receivables of bills discounted/ financed by the bank **Collateral:** Fixed deposit of Rs. 1,350 lacs to be kept at bulk rate of interest or card rate, which ever is lower First charge on pari passu basis on all current assets Personal guarantee of the Promoters
Andhra Bank Foreign Bill Purchase (FBP)/ Foreign Usanse Bill Purchase (FUBP) Sanction letter dated October 10, 2009	5,000 of FBP 10,000 sub-limit for FUBP	1001.52	Rate of interest: BMPLR – 2.5% Margin: 30% cash margin	**Security:** Export bills under confirmed orders /LCs of prime banks along with air ways bills Guarantee of the Promoters
ICICI Bank	Fund based limit of 2,500 and	2384.96	The facilities are valid till October 15, 2010	Security: First charge by way of hypothecation of the

Lender, facility granted and date	Amount sanctioned (Rs in lacs)	Amount outstanding (Rs. in lacs)	Terms of repayment and rate of interest	Security and Other Conditions
Fund based and non-based limit Sanction letter dated November 10, 2009	non-fund based limit of 5,000. The fund based limit is interchangeable into sub-limits of cash credit, working capital demand loan and foreign usance bill discounting of 2,500. The non-fund based limit is interchangeable into buyers' credit, letter of credit and standby letter of credit of 5,000	4926.57	Interest for cash credit: 1.25% below the sum I-Bar (the ICICI Bank advance rate) and the cash credit risk premium along with applicable interest and taxes Interest for working capital demand loan: 2.30% below the sum of IBar, the term premia and the liquidity premia along with applicable interest and taxes Interest for foreign usance bill discounting: For INR: 2.05% below the sum of the IBar, the term premium and liquidity premium along with applicable interest and taxes For USD: 250 bps over three months LIBOR prevailing on the date of each drawdown Interest rate of buyers' credit: As per RBI Regulations, subject to a cap of LIBOR + 2% per annum Commission on letter of credit and standby letter of credit: 0.60% per annum.	Company's entire stocks of raw materials, semi-finished and finished goods, consumable stores and spares and other movables. Personal guarantee of the Promoters Cash margin in the form of fixed deposits to the extent of 35.00% of the fund based limits.

Vehicle Finance Facilities

S. No.	Name of the Lender	Sanctioned Amount (Rs. in lacs)	Date of Sanction	Rate of Interest	Amount outstanding as on January 31, 2010 (Rs. in lacs)
1	ICICI Bank	10.00	July 4, 2007	12.40	1.63

S. No.	Name of the Lender	Sanctioned Amount (Rs. in lacs)	Date of Sanction	Rate of Interest	Amount outstanding as on January 31, 2010 (Rs. in lacs)
2	HDFC Bank Limited	10.00	September 2, 2007	12.47	1.91

Negative Covenants:

Certain corporate actions for which our Company is required to take lenders consent are as follows:

1. to undertake or permit any merger, de merger, pledge, lien, consolidation, reorganization, dissolution, scheme or arrangement or compromise or other security interest with the creditors or share holders or effect any scheme of amalgamation or reconstruction or merger;
2. to amend or modify the constitutional documents;
3. to pass a resolution of voluntary winding up;
4. to mortgage, sale, assign, lease, hypothecate, exchange or create any charge, lien or encumbrance of any kind on those properties or assets secured with the lenders;
5. approach capital market for mobilizing additional resources either in the form of debts or equity;
6. change or any way alter the capital structure of our Company;
7. to make any drastic change(s) in its management set up;
8. declare dividend or distribute profits except where the installments of principal and interest payable to the Bank in respect of the facilities are being paid regularly and there are no irregularities whatsoever in respect of the Facilities;
9. withdraw or allow to be withdrawn any monies brought in by the Promoters and directors or relatives of the Promoters or directors of our Company;
10. invest by way of share capital in or lend or advance funds to or place deposits with any other concerns except in normal course of business or as advances to employees;
11. create any subsidiary or permit any company to become its subsidiary;
12. Undertake guarantee obligations on behalf of any other borrower or any third party;
13. Enter into any contractual obligations of a long term nature, affecting our Company financially to a significant extent;
14. Undertake any new expansion/modernisation/diversification scheme;
15. The lender has the right to convert the debt into equity in case of default in payment by our Company

The repayment schedules of the above loans undergo changes from the schedules stipulated in the respective loan agreements due to change in interest rate since the interest rates are floating rates.

Further, several of the loan agreements executed provide for the rescheduling of loans by the lenders, contain pre-payment penalties and delayed payment penalties, and permit the lender to disclose the name of our Company as a defaulter to the RBI and debar our Company from borrowing monies for certain periods of time.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Promoter, our Directors, our Subsidiaries and our Group Companies and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, its Promoters, Subsidiaries, Group Companies and our Directors.

I. Tax Litigations against our Company

Income Tax Notices

1. The Income Tax Department ("Department") had issued an assessment order to our Company disallowing expenses claimed as interest on loans and making charges due to delay in depositing TDS for the assessment year 2005 – 2006 and had raised a claim of Rs. 35.19 lacs. Our Company had submitted a request to the Department for admitting the said expenses in the assessment year 2006 – 2007 and issuing revised assessment order.

2. The Office of the Income Tax Officer, Kolkata had issued a demand notice on April 28, 2009 to our Company alleging that an amount of Rs. 27.25 lacs has remained unpaid by our Company as income tax for the assessment years 2005 to 2008. The matter is currently pending.

Income tax proceedings transferred to our Company pursuant to the merger of six of our subsidiaries with our Company on September 3, 2007

3. The Office of the Deputy Commissioner of Income Tax, Kolkata ("Department") had issued a notice on December 10, 2008 to Pancharatna Jewellers Private Limited and a demand notice under section 156 of the Income Tax Act, 1961 on December 26, 2008 alleging a sum of Rs. 9.17 lacs payble as tax liability for unaccounted income of the company for the assessment year 2006 – 2007. The Department had also simultaneously initiaed penalty proceedinsg under section 271 (1) (c) of the Income Tax Act, 1961. We have appealed before the Commissioner of Income Tax, Appeals on January 24, 2009 against the said claim by the Department. The matter is currently pending.

4. The Income Tax Department ("Department") had issued an assessment order for the assessment year 2006 – 2007 on December 26, 2008 alleging an amount of Rs. 9.59 lacs as payable by Pitty Fincon Service Private Limited on account of disallowance of expenses. The Department had also simultaneously initiated penalty proceedinsg under section 271 (1) (c) of the Income Tax Act, 1961. The matter is currently pending.

5. The Income Tax Department ("Department") had issued an assessment order for the assessment year 2006 – 2007 on December 26, 2008 alleging an amount of Rs. 144.43 lacs payble as tax liability for unaccounted income of Creative Jewels India Private Limited for the assessment year 2006 – 2007. The Department had also simultaneously initiaed penalty proceedinsg under section 271 (1) (c) of the Income Tax Act, 1961. The Department had also simultaneously initiated penalty proceedinsg under section 271 (1) (c) of the Income Tax Act, 1961. We have appealed before the Commissioner of Income Tax, Appeals on January 24,

2009 against the said claim by the Department. Pursuant to an order dated September 14, 2009, the Commissioner of Income Tax, Appeals has allowed the appeal of the Company and has held that the decision of the Department is not sustainable in law.

Income Tax Search

The Income Tax Department had undertaken a search, under Section 132 of the Income Tax Act, 1961, at various premises of our Company and the residential premises of our Directors on March 26, 2009. Books of accounts of our Company and certain documents were seized by the Income Tax authorities and were subsequently returned. Mr. Nilesh Parekh was summoned by the Assistant Director of Income Tax in this regard. The Office of the Deputy Commissioner of Income Tax had issued a notice under section 153 of the Income Tax Act, 1961 on November 20, 2009 where our Company's income for assessment years 2003 – 2004 to 2008 – 2009 is required to be assessed/ re-assessed. The Company has been asked to file the return of the income for the assessment years 2003 – 2004 to 2008 – 2009.

Sales Tax Assessment F.Y. 03-04

1. The Assessment Order ("Order") passed by the Commercial Tax Officer, Park Street Charge, Kolkata for the assessment year 2003 – 2004 had imposed a liability of Rs. 4,057,522.87 on our Company, based on the sales invoices submitted by our Company. Our Company had appealed against the Order before the Assistant Commissioner of Commercial Taxes, Kolkata (S) Circle ("Appellate Authority") who concurred with the sales invoices submitted by our Company for the assessment except two sales invoices worth Rs. 67,93,073 and had placed a demand of Rs. 1.08 lacs on our Company. Our Company has filed a revision petition against the order of the Appellate Authority before the Appellate and Revisional Board, West Bengal Commercial Taxes. The matter is pending.

2. The Sales Tax Officer has issued a notice of demand of tax assessed, penalty imposed and interest determined under the Central Sales Tax Act read with the applicable provisions of the West Bengal Value Added Tax Act, 2003 for the assessment year 2006 – 2007. The amount demanded by the Sales Tax Offer as payable by our Company is Rs. 382.17 lacs. Our Company has appealed against the demand before the Joint Commissioner, Sales Tax, Kolkata. The matter is pending.

II. Notices served on our Promoters

Summons for Mr. Nilesh Parekh by Directorate of Revenue Intelligence ("DRI")

Mr. Nilesh Parekh was summoned by the DRI, pursuant to summons dated December 22, 2006, under section 108 of the Customs Act, 1962 and was asked to provide details of the mode of procurement of gold, manufacturers, exports and other details of this business. Mr. Parekh appeared before the DRI on January 9, 2007 and submitted his response. No further investigation was carried out and no further notices or a closure certificate was received by our Company in this regard.

III. Civil Proceedings filed by our Company

1. Writ Petition filed against the Kolkata Municipal Corporation ("Respondent")

Case No: W.P. No. 656 (W) of 2007

Our Company had purchased an office space at No. 2-B on the 2nd Floor (Northern side) of 24, Park Street on November 30, 1999. Our Company was in receipt of a notice on or about November 15, 2006 ("Notice") which stated that we were in default in the payment of municipal tax since the purchase of the premises. The Notice had also alleged the occupation of the entire floor by our Company, instead of only a portion of the same, as has been submitted by our Company. Pursuant to the Notice, our Company had obtained a letter of intimation from the KMC on December 26, 2006 wherein it was alleged that our Company was in default of Rs. 1,40,98,596/- inclusive of interest and penalties. Our Company has filed a writ petition before the Hon'ble High Court at Calcutta against the Respondents' claim. The matter is pending hearing and final disposal.

2. Petition against M/s M.B. Innotech (India) Limited ("Respondent")

Case No: BIFR Case No. 93/2006

Our Company has submitted that they have supplied gold ornaments of approximate value of Rs. 1,29,42,227 to the Respondent. The Respondents had issued a cheque bearing numbers 420509 dated July 5, 2005 for Rs. 1,11,38,020 ("Cheque") drawn on Corporation Bank as consideration of the said gold ornaments. The Cheques were dishonoured due to insufficiency of funds. Our Company had issued a legal notice to the Respondent and subsequently, the Respondent had filed an application before the BIFR requesting to be declared a sick company. Our Company has also correspondingly filed an application before BIFR for initiating recovery proceedings under Section 22(1) of Sick Industrial Companies (Special Provisions) Act, 1985 and proceedings under Section 138 of the Negotiable Instruments Act against the Respondent (Case No. C/10380/2005). The matters are pending hearing and final disposal.

We are also proceeding against the Respondents in BIRF Case No. 93/2006, which was transferred to us pursuant to Doyen Traders and Properties Private Limited's merger with our Company. The facts of this case is the same as above and the Respondents had issued two cheques bearing numbers 420507 and 420508 dated July 5, 2005 for Rs. 22,91,775 and Rs. 2,39,28,396 drawn on Corporation Bank as consideration of the said gold ornaments. These cheques have been dishonoured and Doyen had filed an application before BIFR for initiating recovery proceedings under Section 22(1) of Sick Industrial Companies (Special Provisions) Act, 1985 and proceedings under Section 138 of the Negotiable Instruments Act against the Respondent and proceedings under Section 138 of the Negotiable Instruments Act against the Respondent (Case No. C/10379/2005). The matters are pending hearing and final disposal.

Criminal Proceedings by our Company

Our Company has filed a petition under section 138 of the Negotiable Instruments Act, 1882, Case No. C/10380/2005, before the Court of the Metropolitan Magistrate in Calcutta, as has been referred to hereinabove.

A petition under section 138 of the Negotiable Instruments Act, 1882 was also filed by Doyen Traders and Properties Private Limited, Case No. C/10379/2005, before the Court of the Metropolitan Magistrate in Calcutta, as has been referred to hereinabove. The same case has been transferred to us pursuant to the merger of Doyen Traders and Properties Private Limited with our Company.

Material Developments since the Last Balance Sheet Date

In the opinion of the Board, other than as disclosed in the Red Herring Prospectus and below, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities over the next twelve months.

The Hon'ble High Court at Calcutta has approved the merger of Gold Art Jewellers Private Limited, J T Metals and Minerals Exports Private Limited, Bajoria Apartments Private Limited, Chaturbhuj Jewellery House Private Limited, Samukh Exim Private Limited, Shrishti Jewel Art Private Limited, Galaxy Jewel Art Private Limited, Safal Jewellers Private Limited, Subarna Jewels Private Limited, Mudrika Jewels Private Limited and Smart

Gold Jewel House Private Limited with Easy Fit Jewellery Private Limited on October 28, 2009. However, the certified copy of the order is yet to be received. Once the certified copy of the said order is received and the same is filed with the registrar of companies, the merger would be effective.

LICENSES AND APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Red Herring Prospectus.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the section titled "Regulations and Policies" on page 97 of this Red Herring Prospectus.

Approvals for the Issue

1. The Board of Directors has, pursuant to resolution passed at its meeting held on September 9, 2009, authorised the Issue

2. The shareholders of our Company have, pursuant to a resolution dated September 23, 2009, authorised the Issue

3. In-principle approval from the National Stock Exchange of India Limited dated November 27, 2009.

4. In-principle approval from the Bombay Stock Exchange Limited dated November 6, 2009.

5. The Selling Shareholder has authorized the transfer of upto 21,33,334 Equity Shares pursuant to its board resolution dated September 23, 2009 for the Offer for Sale

6. Our Company has made an application on October 14, 2009 to seek the approval of the RBI for transferring of upto 21,33,334 Equity Shares forming part of the Offer for Sale. The RBI has approved the proposed transfer of upto 21,33,334 Equity Shares forming part of the Offer for Sale pursuant to its letter dated November 9, 2009.

Incorporation Details

1. Certificate of Incorporation No. 21-095086 dated August 30, 2002 issued by Registrar of Companies, West Bengal.

2. The Company Identification Number (CIN) is U36911WB2002PLC095086

Business Approvals

1. Our Company received permission ("LOP") to setup an export oriented unit in Manikanchan SEZ, West Bengal on November 27, 2003 (UNIT – 1) issued by the Ministry of Commerce and Industry, Government of India for the manufacture of plain gold jewellery (studded and unstudded with precious and non-precious stones) with a capacity of 500 kgs of gold per year. The capacity has been enhanced to 15,000 kgs of gold per year on December 2, 2008 by the Ministry of Commerce and Industry, Government of India.

Terms and Conditions:

1. The unit shall export its entire production/service, excluding rejects and sales in the domestic tariff area as per the provisions of the SEZ Scheme for a period of 5 years from the date of commencement of production. For this purpose, the unit shall furnish the requisite Legal Undertaking as prescribed in the SEZ Scheme to the Development Commissioner concerned. Before signing the LUT it should have its own operational

web-site and permanent e-mail address. The unit would have the option to renew its SEZ status or opt out of the scheme as per industrial policy in force at that time in relation to items or production.

2. The unit will be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the SEZ scheme for a period of 5 years from the commencement of production, failing which it would be liable for penal action.

3. It is noted that you have require import capital goods for a value of Rs. 30.00 lacs (US$ 64000 for the proposal project.

4. The LOP is valid for 3 years from its date of issue, within which our Company should implement the project and commence production and would automatically lapse if an application for the extension of the validity is not made before the end of the said period. Date of commencement of production shall be intimated to the Development Commissioner of the concerned SEZ.

5. Our Company shall be required to enter into a legal agreement in the prescribed form (Appendix 14-I-F) with the Development Commissioner, Manikanchan SEZ for fulfilling the terms of the LOP.

Amendments to the LOP

Date	Amendment
June 15, 2004	• Item of Manufacture: Gold/Silver/Platinum Jewellery/Studded with or without precious and/or semi precious stone, and gold medallion and gold articles studded with or without precious and/or semi precious stone. • Trading in Gold/Silver/Platinum Jewellery, Medallion articles studded with or without precious and/or semi precious stones. • Import or local purchase will be permitted except those under prohibited list of Import/Export.
December 20, 2004	• Trading in loose diamond cut and polished. • Trading in diamond rough. • Manufacturing of diamond from diamond rough. • Trading and manufacturing of diamond studded Jewellery of Gold/Silver/Platinum.
February 20, 2006	• Items of Manufacture: Rough and un-cut precious and semi-precious stone such as Ruby, Emerald, Garnet, Sapphire, etc. by way of cutting or polishing. • Trading in precious and semi-precious stones such as Ruby, Emerald, Garnet, Sapphire etc.
July 9, 2007	• Consent to establish and operate unit at Manikanchan SEZ, Plot No. 1, Block-CN, Module GSW-5, Sector-V, Salt Lake, Kolkata, under Green Category Unit of the Water Act, 1974 and Air Act, 1981.
August 7, 2008	• Certificate of Permanent Registration as a Small Scale Industry Unit given by Manikanchan SEZ. Items of Manufacturing: “Plain gold Jewellery (Studded/un-Studded with precious and non-precious stones), trading and manufacturing of diamond studded Jewellery of gold/silver/platinum.” • Unit started production on July 27, 2004.
September 1, 2008	• Trading of bullion of all kinds allowed
December 2, 2008	• Enhancement of production capacity to 15,000 kgs approved.
July 27, 2009	• Extension of LOP for an additional period of five years.

Date	Amendment
August 18, 2009	• Permission for international trading activities. This is approval is valid for a period of one year from the date of its issuance, within which we have to commence international trading activities and five years from the date of commencement of international trading activities

Our Company received permission ("LOA") to setup an export oriented unit in Manikanchan SEZ on September 21, 2006, (UNIT – 2) issued by the Ministry of Commerce and Industry, Government of India for the manufacture of plain gold jewellery (studded/unstudded, with precious and non-precious stones) gold coins/medallions/cut and polished diamonds/stones with a capacity of 3,000 kgs of gold per annum, consequently increased to 12,000 kgs of gold per year.

Conditions imposed by the Ministry of Commerce and Industry, Government of India:

1. Our Company shall export the goods manufactured/ goods imported/ procured for trading and services, including items of trading, as per provisions of Special Economic Zones Act, 2005 and Rules made there-under for a period of five years from the date of commencement of production/service activities. For this our Company will execute a Bond-cum-Legal undertaking as prescribed under the Special Economic Zones Rules, 2006.

2. The company shall fulfill the pollution control requirements, as prescribed by the pollution control authorities.

3. The unit will be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the SEZ Rules, 2006 for the period the Unit operates in the SEZ from the commencement of production, failing which it would be liable for penal action under Foreign Trade (Development and Regulation) Act, 1992.

4. The LOA is valid for 1 year from its date of issue, with in which our Company should implement the project and commence production and would automatically lapse if an application for the extension of the validity is not made before the end of the said period. Date of commencement of production shall be intimated to the Development Commissioner of the concerned SEZ.

5. The LOA is valid for a period of five years from the date of commencement of production.

6. Pursuant to the letter dated July 29, 2009 to the Ministry of Commerce and Industry, Government of India, permitted capacity of the unit has been increased to 3,000 kgs of gold per year.

7. Pursuant to the letter dated February 17, 2010 to the Ministry of Commerce and Industry, Government of India, permitted capacity of the unit has been increased to 12,000 kgs of gold per year.

Production commenced at this Unit on March 18, 2009.

Our Company received permission ("LOA") to setup another export oriented unit in Manikanchan SEZ on December 21, 2009, (UNIT – 3) issued by the Ministry of Commerce and Industry, Government of India for the manufacture of gold jewellery (plain and studded with diamond, precious and non-precious stones) with a capacity of 3,000 kgs of gold per annum.

Conditions imposed by the Ministry of Commerce and Industry, Government of India:

1. Our Company shall export the goods manufactured/ goods imported/ procured for trading and services, including items of trading, as per provisions of Special Economic Zones Act, 2005 and Rules made there-under for a period of five years from the date of commencement of production/service activities. For this our Company will execute a Bond-cum-Legal undertaking as prescribed under the Special Economic Zones Rules, 2006.

2. The company shall fulfill the pollution control requirements, as prescribed by the pollution control authorities.

3. The unit will be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the SEZ Rules, 2006 for the period the Unit operates in the SEZ from the commencement of production, failing which it would be liable for penal action under Foreign Trade (Development and Regulation) Act, 1992.

4. The LOA is valid for 1 year from its date of issue, with in which our Company should implement the project and commence production and would automatically lapse if an application for the extension of the validity is not made before the end of the said period. Date of commencement of production shall be intimated to the Development Commissioner of the concerned SEZ.

5. The LOA is valid for a period of five years from the date of commencement of production.

Production commenced at this unit on January 8, 2010.

The portion of the land on which we are carrying on manufacturing activities at Manikanchan SEZ, admeasuring 171.00 sq. meters has been leased to M/s Concept Images Private Limited by the WBDIC. On 20 September 2007, we paid Rs. 28.50 lacs for "purchase of factory space" in the SEZ to M/s Concept Images Private Limited. Application for transfer of lease to us has been made to the WBIDC on July 21, 2009.

M/s Easy Fit Jewellery Private Limited, our wholly-owned subsidiary, received permission to setup an export oriented unit in Manikanchan SEZ on August 5, 2004 for the manufacture of plain gold jewellery (studded/unstudded, with precious and semi-precious stones) with a capacity of 50,000 pcs.

Conditions imposed by the Ministry of Commerce and Industry, Government of India:

1. The unit shall export its entire production/service, excluding rejects and sales in the domestic tariff area as per the provisions of the SEZ Scheme for a period of 5 years from the date of commencement of production. For this purpose, the unit shall furnish the requisite Legal Undertaking as prescribed in the SEZ Scheme to the Development Commissioner concerned. Before signing the LUT it should have its own operational web-site and permanent e-mail address. The unit would have the option to renew its SEZ status or opt out of the scheme as per industrial policy in force at that time in relation to items or production.

2. The unit will be required to achieve positive Net Foreign Exchange (NFE) as prescribed in the SEZ scheme for a period of 5 years from the commencement of production, failing which it would be liable for penal action.

3. It was noted that our Company requires imported capital goods for a value of Rs. 95.06 lacs (US$ 216.06 in thousand) for the proposal project.

4. The Letter of Permission ("LOP") is valid for 3 years from its date of issue, with in which our Company should implement the project and commence production and would automatically lapse if an application for the extension of the validity is not made before the end of the said period. Date of commencement of production shall be intimated to the Development Commissioner of the concerned SEZ.

5. Our Company shall be required to enter into a legal agreement in the prescribed form (Appendix 14-I-F) with the Development Commissioner, Manikanchan SEZ for fulfilling the terms of the LOP.

The production at this unit commenced on February 9, 2009 and the same was intimated to the Assistant Development Commissioner, Manikanchan SEZ on the same date.

We have received the following significant government and other statutory approvals pertaining to our business:

Sr. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
1	Nominated Agency under the Foreign Trade Policy for the purposes of Direct Import of Precious Metal (Canalising Agent)	Office of the Zonal Joint Director General of Foreign Trade	REP/KOL/02/40/031/00001/ AM10/Gold/01	August 14, 2009	March 31, 2010
2	Four Star Export House (Star Trading House)	Office of Joint Director General of Foreign Trade	Certificate No. D-000028 (Status Holder No.:02/4/000028/20090624)	April 1, 2009	March 31, 2014
3	Three Star Export House (Trading House)	Office of Joint Director General of Foreign Trade	Certificate No. C-000061 (Status Holder No.:02/3/000061/20080311)	April 1, 2007	March 31, 2012
4	Customs Registration	Office of Deputy Commissioner of Customs, Calcutta	Registration No. 66/2003 I.B.	April 23, 2003	NA
5	BIS Registration (Hallmark Certificate)	Bureau of Indian Standards	License No. CM/L-5252456	January 23, 2009	January 22, 2012
6	Central Sales Tax Registration (WB)	Assistant Commissioner, Commercial Taxes, Central Section, WB	Registration No. 2031 (PS) C Central 19431743251	September 1, 1997	NA
7	Central Sales Tax Registration (Ahmedabad)	Assistant Commissioner, Commercial Taxes, Gujarat	Registration No. 24573501382	August 7, 2009	NA
8	Central Sales Tax Registration (Bangalore)	Assistant Commissioner of Commercial Taxes, Bangalore	TIN: 29320821135	October 25, 2008	NA
9	VAT Registration under West Bengal Value Added Tax Rules, 2005	Assistant Commissioner of Sales Tax	Registration No. 19431743057	February 27, 2007	NA
10	VAT Registration under Delhi Value Added Tax Act, 2004	Department of Value Added Tax, Govt. of NCT of	Registration No. 07040335973	November 2, 2007	NA

Sr. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
		Delhi			
11	VAT Registration under Gujarat Value Added Tax Act, 2003	Commercial Tax Department, Government of Gujarat	Registration No. 24073501382	February, 13, 2008	NA
12	VAT Registration under Karnataka Value Added Tax Act, 2003	Assistant Commissioner of Commercial Taxes, Bangalore	TIN: 29320821135	October 25, 2008	NA
13	Certificate of Importer-Exporter Code (IEC)	Office of Joint Director General of Foreign Trade.	(IEC) No. 0202013880	November 29, 2002	NA
14	Associate Membership of The Gem and Jewellery Export Promotion Council	The Gem and Jewellery Export Promotion Council	(No. GJEPC/RO-KOL/G16075/AM/VII)	2009	2010
15	Registration and Membership of Federation of Indian Export Organisations (Associate Member – Trading House)	Federation of Indian Export Organisations	(No. 272/2005-2006)	June 2, 2009	March 31, 2010
16	Green Card for Manikanchan Special Economic Zone	Manikanchan Special Economic Zone	(LOA/LOP No. Manikanchan/LIC/S - 2/2003/9330)	November 27, 2003	April 7, 2012
17	Employee Provident Fund Registration under Employees Provident Fund and Miscellaneous Provisions Act, 1952.	Employees Provident Fund Organisation	EPF Code No. WB/PRB/53025	July 27, 2004	NA
18	ESI Registration under Employees State Insurance Act, 1948	Employee State Insurance Corporation	Registration Code No. 41-29798-101	July 27, 2004	NA
19	Registration as employer under West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979.	Office of Assistant Commissioner, Profession Tax	Registration No. RCW/1363310	April 01, 1999	NA
20	PAN	Income Tax Department	AAGCS7343P	August 30, 2002	NA
21	TAN granted to Shree Ganesh Jewellery House Limited	Income Tax Department	CALS11010G	September 7, 2009	NA
22	Registration of	Chief Inspector,	Kol/Park/P-I/5443	August 29,	August 28, 2011

Sr. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
	Commercial Establishment at No. 6, Camac Street (Fort Knox), Kolkata – 700 016	Shops and Establishments, Government of WB		2008	
23	Registration of Commercial Establishment at 227, A.J.C. Bose Road (Ground Floor) "Anandloke", Kolkata – 700 020	Chief Inspector, Shops and Establishments, Government of WB	Kol/Bally/P-II/45760/07	October 16, 2007	October 15, 2010
24	Registration of Commercial Establishment at 21, Super Mall, B H Lal Bungalow, C G Road, Navrangpura, Ahmedabad	Deputy Municipal Commissioner, Municipal Corporation of Ahmedabad	Registration No. PTI/EL/13/0000487/ELLISBRIDGE	August 7, 2009	August 6, 2013
25	Trade License for 25A, Abanindra Nath Thakur Sarani, R. 413, Kolkata – 700 016	License Department, Kolkata Municipal Corporation	SL/No.08/0160774	2008	2009
26	Trade License for 25A, Abanindra Nath Thakur Sarani, Shop No. 125, Kolkata – 700 016	License Department, Kolkata Municipal Corporation	L/160253	2008	2009
27	Trade License for 6, Abanindra Nath Thakur Sarani, Kolkata – 700 016	License Department, Kolkata Municipal Corporation	08/154305	2008	2009
28	Trade License for 21, Super Mall, B.H. Lal Bungalow, CG Road, Navrangpura, Ahmedabad – 06	Deputy Municipal Commissioner, Municipal Corporation of Ahmedabad	Registration No. PTI/EL/13/0000487/ELLISBRIDGE	August 7, 2009	August 6, 2013
29	Membership of the National Spot Exchange Limited as a "Trading and Clearing Member". Membership ID: 12240	The National Spot Exchange Limited	NSEL/GR/MEM/212/08-09/592	November 13, 2008	NA
30	Membership of the All India Gems and Jewellery Trade Federation	All India Gems and Jewellery Trade Federation	NA	July 14, 2009	NA
31	Membership of the Multi Commodity Exchange of India Limited. Membership ID: 29175	Multi Commodity Exchange of India Limited	NA	-	NA

Sr. No.	Approval Granted	Authority	Reference/ Registration Number	Date Granted	Validity/Remarks
32	Trade License for 227, AJC Bose Road, Kolkata – 700 020	License Department, Kolkata Municipal Corporation	0011340006192	October 23, 2009. Validity is from March 31, 2009	March 31, 2010
33	The registration of the Registered Office at 413, Vardaan Market, 25A, Camac Street, 4th Floor, Kolkata – 700 016 under the West Bengal Shops and Establishments Act	Registering Authority, Shops and Estalishment, Government of West Bengal	13068	November 30, 2009	September 6, 2012

Intellectual Property

Registered Trademarks

Trademark and Class	Trademark Registration No.	Goods	Date of Issue	Valid/Renewed Upto
Gaja (Label) Class 35	1483254	Service provided through showrooms, shopping malls, shopping centres included in Class 35 for sale in the state of West Bengal.	August 31, 2006	August 31, 2016
Gaja (Label) Class 14	1483255	Jewellery of all kinds and medallions in Gold, Silver, Platinum Studded/Unstudded with/without precious, semi precious stones and or diamond for sale in the State of West Bengal including Class 14.	August 31, 2006	August 31, 2016
Shree Ganesh (Label) Class 14	1563877	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.	January 9, 2009	

Our Company has filed the following trademark applications in India

S. No.	Trademark and Class	Trademark Application No.	Date of filing of application	Status	Goods
1	GAJA GOLD (Label) Class 14	1693379	May 30, 2008	Registration Pending	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious semi precious stones and/ or diamond.

S. No.	Trademark and Class	Trademark Application No.	Date of filing of application	Status	Goods
2	Mari Gold (Label) Class 14	1693380	May 30, 2008	Registration Pending	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
3	Gold Bridals (Label) Class 14	1693381	May 30, 2008	Rejected on November 21, 2008	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
4	Elements (Label) Class 14	1693382	May 30, 2008	Rejected on November 21, 2008	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
5	Distar (Label) Class 14	1693383	May 30, 2008	Rejected on November 21, 2008	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
6	Dianique (Label) Class 14	1693384	May 30, 2008	Registration Pending	Jewellery of all kinds and medallions in gold, Silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
7	Sitaare (Label) Class 14	1693385	May 30, 2008	Rejected on November 21, 2008	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
8	YOU (Label) Class 14	1693386	May 30, 2008	Rejected on November 21, 2008	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.
9	GM Gold (Label) Class 14	1693387	May 30, 2008	Rejected on November 21, 2008	Jewellery of all kinds and medallions in gold, silver, platinum studded/unstudded with/without precious, semi precious stones and/ or diamond.

Pending Licenses

The portion of the land on which we are carrying on manufacturing activities at Manikanchan SEZ, admeasuring 145.79 sq meters has been leased to Shree Vinayak Jewellers by the WBDIC. On 11 September 2007, we paid Shree Vinayak Jewellers Rs. 30.00 lacs for “purchase of module GSW6”. Application of transfer of lease to us has been made to the WBIDC on September 9, 2009.

Pending licenses for our proposed Projects

We are yet to apply for any of the licenses and approvals required under labour laws, environmental laws or otherwise to set up our proposed Projects at Mondalpara and Domjur. The process of application for the applicable licenses and approvals would be initiated on commencement of civil contructions at the sites.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated September 9, 2009. The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the meeting of our shareholders of our Company held on September 23, 2009.

The Selling Shareholder has authorized the transfer of 21,33,334 Equity Shares pursuant to its board resolution dated September 23, 2009 for the Offer for Sale.

The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited has given in-principle approval for the Issue on November 6, 2009 and November 27, 2009 respectively.

Prohibition by SEBI and RBI

Our Company, our Directors, our Promoters, the Promoter Group, Group Companies and companies in which our Directors are associated and the Selling Shareholder have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI.

Our Company, our Directors, our Subsidiaries, our Promoters, Promoter Group, relatives of the Promoters and the companies with which our Directors are associated as directors or promoters have not been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR as we comply with the said regulation:

a. *it has net tangible assets of at least three crore rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent are held in monetary assets:*
   Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

b. *it has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years:*
   Provided that extraordinary items shall not be considered for calculating distributable profits;

c. *it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each);*

d. *the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;*

e. *if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.*

In terms of the certificate issued by M/s. BSR & Associates, Chartered Accountants, dated September 24, 2009, our Company satisfies the aforementioned eligibility criteria (as derived from the unconsolidated restated financial statements) as follows:

The Company's net tangible assets, monetary assets, net profit and net worth derived from our Audit Report for the last three years ended FY 2009 are set forth below:

(Rs. in lacs)

	March 31, 2007	March 31, 2008	March 31, 2009
Net Tangible Assets (1)	9,936.16	26,478.85	39,487.57
Monetary Assets (2)	3,840.14	25,592.18	54,323.69
Net Profits, as restated	4,853.23	8,965.52	13,245.07
Net Worth, as restated	10,331.26	26,806.73	39,767.82

(1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities)

(2) Monetary assets include cash on hand and bank.

The Company has net tangible assets of more than Rs. 300 lacs in each of the preceding three years of which not more than 50% is held in monetary assets except for the year ended March 31, 2008 and 2009, which the Company had placed as security deposit against borrowing for business purposes.

Further, as the Issue would constitute less than 25% of the post-Issue paid-up capital, but not less than 10% of the post-Issue capital, the Issue is subject to the fulfilment of the following conditions as required by Rule 19(2)(b) of the SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoters contribution) are offered to the public;

- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000,000,000; and

- The Issue is made through the Book Building method with allocation of 60% of the Issue size to QIBs as specified by SEBI.

Further, in accordance with Clause 16(4) of the SEBI ICDR, we undertake that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000.

Hence, in terms of clause 26(1) of the SEBI ICDR, the Company is eligible to make this issue of Equity Shares.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANGERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2009 WHICH READS AS FOLLOWS:

"WE, THE LEAD MERCHANT BANKERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

(A) THE DRAFT RED HERRING PROSPECTUS/ DRAFT PROSPECTUS/ DRAFT LETTER OF OFFER FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS/DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN

THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE

COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS/ LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.-NOTED FOR COMPLIANCE

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.-NOT APPLICABLE

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the offer document does not, however, absolve the Company from any liabilities under section 63 or section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the lead merchant banker any irregularities or lapses in offer document.

All legal requirements pertaining to the Issue will be complied with at the time of filing of this Red Herring Prospectus with the Registrar of Companies, West Bengal in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the

Prospectus with the Registrar of Companies, West Bengal in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Caution - Disclaimer from our Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.sgjhl.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the memorandum of understanding entered into among the BRLMs, our Company and the Selling Shareholder on September 24, 2009, and the Underwriting Agreement to be entered into between the Underwriters, our Company and the Selling Shareholder.

All information shall be made available by us and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither we or the Selling Shareholder nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not Issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Notwithstanding anything stated in this Red Herring Prospectus, the Selling Shareholder do not express any opinion with respect to nor do they assume any responsibility for the statements and disclosures made by our Company or any other person, whether or not relating to our Company, their respective businesses, the promoters, the financial information or any other disclosures and statements and the directors and officers of the Selling Shareholder shall not be liable in any situation whatsoever. The Selling Shareholder assumes responsibility only for the statements about or relating to the Selling Shareholder in this Red Herring Prospectus.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kolkata, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Each purchaser that is acquiring the Equity Shares issued pursuant to this Issue, by its acceptance of this Red Herring Prospectus and of the Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Issue in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares issued pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

3. the purchaser is purchasing the Equity Shares issued pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Issue, was located outside the United States at the time the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only in accordance with all applicable laws, including the securities laws of the States of the United States;

7. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES

8. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

9. the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a "Relevant Member State") who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each BRLM and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the BRLMs has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Disclaimer Clause of BSE

As required, a copy of this Red Herring Prospectus had been submitted to BSE. BSE has given vide its letter dated November 6, 2009, permission to our Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which the Equity Shares are proposed to be listed. BSE has scrutinized this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; or

- Warrant that our Company's securities will be listed or will continue to be listed on BSE; or

- Take any responsibility for the financial or other soundness of our Company, our promoters, our management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Red Herring Prospectus had been submitted to NSE. NSE has given vide its letter dated November 27, 2009 permission to our Company to use the Exchange's name in this Red Herring Prospectus as one of the stock exchanges on which the Equity Shares are proposed to be listed. The Exchange has scrutinised this Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that our Company's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any of our Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of this Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No. C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, West Bengal, Nizam Palace, IInd MSO Building, 2nd floor, 234/4, A.J.C. Bose Road, Kolkata-700 020, India.

Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. The Bombay Stock Exchange Limited will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Consents

Consents in writing of: (a) the Selling Shareholder, the Directors, the Company Secretary and Compliance Officer, the Auditors, the Legal Advisors, Bankers to our Company and Bankers to the Issue; (b) Book Running Lead Managers to the Issue and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the Legal Counsel to Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

BSR and Associates, Chartered Accountants, our statutory auditors, have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall has not been withdrawn up to the time of submission of this Red Herring Prospectus with SEBI.

J K Chanda & Associates, Chartered Accountants, our tax auditors, have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report shall has not been withdrawn up to the time of submission of this Red Herring Prospectus with SEBI.

Credit Analysis and Research Limited, the IPO Grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus to the Designated Stock Exchange.

Experts to the Issue

Except the report of in respect of the IPO grading of this Issue annexed herewith, Financial Statements certified by our Statutory Auditors M/s B S R & Associates and the Statement of Tax Benefits certified by our tax auditors, M/s J K Chanda and Associates, our Company has not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [•]. The expenses of this Issue include, among others, underwriting and management fees, SCSB's commission/ fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses except the listing fees with respect to the Issue would be paid by our Companyand the Selling Shareholder in proportion to the number of Equity Shares offered by them.

The estimated Issue expenses are as under:

Activity	**Expense* (in Rs. thousand)**	**Expense (% of total expenses)**	**Expense (% of Issue Size)**
Lead management fee and underwriting commissions	[•]	[•]	[•]
SCSB's commission	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Printing and stationery	[•]	[•]	[•]
Registrar's fee, legal counsel, IPO grading	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

** To be completed after finalization of issue price*

The Issue expenses and the listing fees will be paid by our Company.

Fees payable to the BRLMs

The total fees payable to the BRLMs will be as per the Memorandum of Understanding with the BRLMs, a copy of which is available for inspection at our Corporate Office. The total fees payable to the Book Running Lead Managers and Syndicate Members (including underwriting commission, selling commission and reimbursement of their out of pocket expenses) will be as per the memorandum of understanding dated September 24, 2009 among our Company, the Selling Shareholder and the Book Running Lead Managers, a copy of which is available for inspection at the Corporate Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CANs/refund orders (or revised CANs, if required), preparation of refund data on magnetic tape and printing of bulk mailing register will be as per the memorandum of understanding between our Company, the Selling Shareholder and the Registrar to the Issue dated September 24, 2009, a copy of which is available for inspection at the Corporate Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Fees payable to the IPO Grading Agency

The fees payable to the IPO Grading Agency shall be as per the agreement to be entered between our Company and the IPO Grading Agency.

Underwriting commission, brokerage and selling commission on previous issues

Our Company has not made any public issues since inception.

Previous Rights and Public Issues

We have not made any previous rights on a public basis and public issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 24 of this Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

Companies under the Same Management

There are no listed companies under the same management within the meaning of erstwhile section 370 (1B) of the Companies Act, other than the Promoter and Promoter Group companies, details of which companies are provided in the section "Our Promoters and Promoter Group" beginning on page 145 of this Red Herring Prospectus.

Promise vs. Performance – Last Issue of Group/Associate Companies

None of our Group or Associate Companies is listed.

Outstanding Debentures, Bond Issues, or Preference Shares

We have not issued any redeemable preference shares. For more details in relation to the same, see the section "Capital Structure" on page 24 of this Red Herring Prospectus.

We have no debentures or bonds outstanding.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, the Selling Shareholder and our Company will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances

Our Company estimates that the average time required by our Company, or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be 10 working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed an Investors' Grievance Committee comprising of three of our Directors as members.
We have also appointed Mr. Mukund Chandak, Company Secretary of our Company as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address:

Mr. Mukund Chandak
Avani Signature,
4th Floor, Suite No. 402,
91A/1 Park Street,
Kolkata – 700016, India
Tel: +91 33 3025 9382
Fax: +91 33 4007 1623
Email: investors@sgjhl.com

Changes in Auditors

Changes in our auditors in the last three years are as follows:

Name of Auditor	Date of Appointment/ Resignation	Reasons for change
Sharad Mohata & Co	September 4, 2006	Resignation

Name of Auditor	Date of Appointment/ Resignation	Reasons for change
6, Mangoe Lane, Kolkata – 700001		
Chaturvedi & Company Park Centre, 2nd Floor, 24 Park Street, Kolkata – 700016	September 28, 2006	Appointment
Chaturvedi & Company Park Centre, 2nd Floor, 24 Park Street, Kolkata – 700016	May 25, 2007	Resignation
BSR & Associates Infinity Benchmark, Plot No. G1, 10th Floor, Block EP and GP, Sector V, Salt Lake City, Kolkata – 700 091	June 11, 2007	Appointment

Capitalization of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as stated in the section titled "Capital Structure" on page 24 of this Red Herring Prospectus.

Revaluation of Assets

Our Company has not revalued our assets in the last five years. Prior to the merger of the six group companies with our Company, as described in the section "History and Certain Corporate Matters", revaluation of the assets of the group companies were done prior to the merger.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

None of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

Interest of Promoters and Directors

For details, see "Our Promoters and Promoter Group" and "Our Management" on pages 145 and 129 of this Red Herring Prospectus respectively.

Purchase of Property

There is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or

- The amount of the purchase money is not material.

- The land for the proposed project at Manikanchan SEZ

Except as stated in the section titled "Objects of the Issue" on page 35 of this Red Herring Prospectus, our Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

SECTION VII: ISSUE INFORMATION

ISSUE STRUCTURE

Public Issue of 1,42,69,831 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating Rs. [●] lacs, consisting of a Fresh Issue of 1, 21,36,497 Equity Shares and an Offer for Sale of 21,33,334 Equity Shares (hereinafter referred to as the "Issue").

The Issue will constitute 23.52% of the total post issue paid-up equity capital of our Company. The Issue is being made through the 100% Book Building Process:

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Atleast 85,61,899 Equity Shares or Issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 14,26,983 Equity Shares shall be available for allocation*	Not less than 42,80,949 Equity Shares shall be available for allocation*
Percentage of the Issue Size available for allocation	At least 60% of Issue Size shall be allocated to QIBs. However, not less than 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Upto 30% of the QIB Portion may be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds.	Not less than 10% of the Issue shall be available for allocation*	Not less than 30% of the Issue shall be available for allocation*
Basis of allocation, if respective category is oversubscribed	Proportionate as follows: (a) 4,28,095 Equity Shares, constituting 5% of the QIB portion, shall be available for allocation on a proportionate basis to Mutual Funds; (b) 81,33,804 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to	Not exceeding the size of the Issue	Such number of Equity Shares so as to ensure

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	the Bidder		that the Bid Amount does not exceed Rs. 100,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialised form
Bid Lot	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares.	[●] Equity Shares in multiples of [●] Equity Shares.
Allotment Lot	[●] Equity Shares in multiples of one Equity Shares.	[●] Equity Shares in multiples of one Equity Shares.	[●] Equity Shares in multiples of one Equity Shares.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of Rs. 2500 lacs and pension funds with minimum corpus of Rs. 2500 lacs in accordance with applicable law and National Investment Fund set up by Government of India and insurance funds set up and managed by the army, navy and air force of the Union of India.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, NRIs, societies and trusts	Individuals (including NRIs and HUFs in the name of karta)
Terms of Payment	Margin Amount applicable to QIB Bidder shall be payable at the time of submission of Bid cum Application Form to the Member of Syndicate.***	Margin Amount applicable to Non-institutional Bidder shall be payable at the time of submission of Bid cum Application Form to the Member of Syndicate	Margin Amount applicable to Retail Individual Bidder shall be payable at the time of submission of Bid cum Application Form to the Member of Syndicate****
Margin Amount	At least 10% of the Bid Amount in respect of bids placed by QIB Bidder	Full Bid Amount on bidding	Full Bid Amount on bidding

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	Anchor Investors shall pay a margin of at least 25% on application with the balance to be paid within two days of the date of closure of the issue		

** Subject to valid Bids being received at or above the Issue Price and subject to a minimum of 60% of the Issue being allocated to QIBs. The Issue is being made through the 100% Book Building Process, wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue would be available for allocation to Non Institutional Bidders and not less than 30% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company, the Selling Shareholder, BRLMs, the Designated Stock Exchange and subject to applicable provisions of SEBI ICDR.

*** In case the Bid Cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid Cum Application Form.*

**** After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIBs.*

***** In case of ASBA Bidders, SCSBs shall be authorised to block such funds in the bank accounts of the ASBA Bidders that are specified in the Bid cum Application Form.*

Withdrawal of the Issue

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Issue, within two days of the the Bid/Issue Closing Date but before the Allotment. In such an event, the Company and the Selling Shareholders shall give reasons thereof in a public notice within two days of the Bid/Issue Closing Date in the same newspaper in which the pre-Issue advertisement had appeared. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Letters of Allotment, Refund Orders or Instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with its Depository Participants within two Business Days from the date of the Allotment to all successful Allottees including ASBA Bidders which in any event shall not exceed 15 days of the Bid/Issue Closing Date.

Please note that only Bidders having a bank account at any of the 68 centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said 68 centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 15 days of the Bidding/Issue Closing Date “Under Certificate of Posting” for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA for withdrawn, rejected or unsuccessful or partially successful ASBAs within 15 days of the Bid/Issue Closing Date.

Interest in case of delay in dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 (fifteen) days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue. Refunds will be made by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/ Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENS ON	FRIDAY, MARCH 19, 2010
BID/ISSUE CLOSES ON	TUESDAY, MARCH 23, 2010

Our Company may consider participation by Anchor Investors in terms of the SEBI ICDR. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/ Issue Opening Date.

Bids and any revision in Bids shall be accepted only between **10.00 a.m. and 3.00 p.m. (Indian Standard Time)** during the Bid/Issue Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be accepted only between 10.00 a.m. and 3 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) 5.00 p.m. in case of Bids by Retain Individual Investors or till any such time as may be extended subject to permission from BSE and NSE. Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are requested to note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, the Issuer, BRLMs, Syndicate Members and the SCSBs will not be responsible. Bids will be accepted only on Business Days. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR provided that the revised cap of the price band should not be more than 20% of the revised floor of the band; i.e revised cap of the Price Band shall be less than or equal to 120% of the revised floor of the price band. The Floor Price can be revised up or down to a maximum of 20% of the original Floor Price and shall be advertised at least one day before the Bid /Issue Opening Date.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band subject to the total Bid /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE and the SCSBs, by issuing a press release and also by indicating the changes on the web sites of the BRLMs and at the terminals of the Syndicate.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Memorandum and Articles of Association of our Company, conditions of RBI approval, if any, the terms of this Red Herring Prospectus, Red Herring Prospectus and Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("**CAN**") and other terms and conditions as may be incorporated in the Allotment Advice, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, ROC and / or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to resolution passed at its meeting held on September 9, 2009, 2009, authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a resolution dated September 23, 2009, under Section 81(1A) of the Companies Act, authorised the Issue. The Board has approved and authorised this Red Herring Prospectus pursuant to its resolution dated September 24, 2009.

The Selling Shareholder has authorized the transfer of 21,33,334 Equity Shares pursuant to its board resolution dated September 23, 2009 for the Offer for Sale.

The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited has given in-principle approval for the Issue on November 6, 2009 and November 27, 2009 respectively.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Memorandum and Articles of Association and shall rank pari passu in all respects with the other existing shares of our Company including in respect of the rights to receive dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section "Main Provisions of the Articles of Association" beginning on page 396 of this Red Herring Prospectus.

Mode of payment of dividend

We shall pay dividend to our shareholders as per the provisions of the Companies Act. As per the SEBI ICDR, for the offer for sale portion, the dividend for the entire year shall be payable to the transferees. The cost of the offer for sale shall be borne by our Company and the Selling Shareholder.

Face Value and Issue Price

The face value of each Equity Share is Rs. 10. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination of Equity Shares, subject to applicable law.

Compliance with SEBI ICDR

Our Company and the Selling Shareholder, to the extent applicable, shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:
- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act the terms of the listing agreements executed with the Stock Exchanges, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, please refer to the section titled "Main provision of the Articles of Association of our Company" beginning on page 396 of this Red Herring Prospectus.

Market Lot

Under Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI ICDR, the trading in the Equity Shares shall only be in dematerialized form for all investors. Since trading of our Equity Shares is in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Issue will be done only in electronic form, in multiple of one Equity Share, subject to a minimum allotment of [●] Equity Shares. For details of allocation and allotment, please refer to the section titled "Issue Procedure" beginning on page 346 of this Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts / authorities in Kolkata, West Bengal, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidder, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered / Corporate Office or to our Registrar and Transfer Agents.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such allotment of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to allot the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If we do not receive the minimum subscription of 90% of the Fresh Issue including devolvement of Underwriters within 60 days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received but not later than 70 days from closure of the Issue. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

In the event atleast 60% of the Issue reserved for QIBs is not subscribed, our Company shall forthwith refund the entire subscription amount received, in the manner stated in the paragraph above. In order to determine the minimum subscription, the Fresh Issue portion shall be offered first and Offer for Sale component will be considered only to the extent that the Fresh Issue and Offer for Sale together constitutes 10% of the fully diluted post-Issue paid up share capital of the Company.

In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. Any expense incurred by our Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered through the Offer for Sale, will be reimbursed by the Selling Shareholder to our Company to the extent agreed between them.

Further, in accordance with Clause 26(4) of the SEBI ICDR, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangement for disposal of odd lot

The Equity Shares will be traded in dematerialized form only and therefore the marketable lot is one (1) Equity Share. Hence, there is no possibility of any odd lots.
Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or

SEBI regulations as may be applicable to such investors. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FCVIs registered with SEBI, applicants will be treated on the same basis with other categories for the purpose of allocation.

The allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

ISSUE PROCEDURE

Book Building Procedure

In accordance with Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 ("SCRR"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") The Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portionshall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured only through the BRLMs or their affiliates. In the case of QIB Bidders, our Company, in consultation with the BRLMs, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company and will have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB authorising blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-residents, Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investor	[•]

The physical Bid cum Application Form for ASBA Bidders shall be white in colour.

In accordance with the SEBI ICDR, all Investors can participate by way of ASBA process, except QIBs.

In accordance with SEBI ICDR, only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are majors, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Indian Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue. NRIs other than Eligible NRIs are not eligible to participate in this issue;
- Indian Financial Institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR, as applicable);
- FIIs registered with SEBI on a repatriation basis or a non repatriation basis, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2500 lacs and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with minimum corpus of Rs. 2500 lacs and who are authorised under their constitution to hold and invest in equity shares; and
- Foreign Venture Capital Investors registered with SEBI, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy and air force of the Union of India.
- Multilateral and bilateral development financial institutions; and
- Any other QIBs permitted to invest in the Issue under applicable laws or regulations.

As per the existing regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Associates of BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the Net QIB Portion or in Non-Institutional Portion as may be applicable to such investors.

Bidders are advised to ensure that any single Bid from them does not exceed the investments limits or maximum number of Equity Shares that can be held by them under applicable laws, rules, regulations, guidelines and approvals.

Bids by Mutual Funds

At least one-third of the Anchor Investor Portion will be available for allocation to Mutual Funds only on a discretionary basis and the Mutual Fund Portion (i.e, 5% of the Net QIB Portion) shall be available for allocation on a proportionate basis.An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

- Bid cum Application Forms have been made available for Eligible NRIs at our Registered and Corporate Office and with members of the Syndicate.

- Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour).

Bids by FIIs

The issue of Equity Shares to a single FII should not exceed prescribed limits of law. As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under theQIB Portion), the investment on behalf of each such Sub-Account shall not exceed 10% of our total issued capitalIn accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 49% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further,

Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, the Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, the Selling Shareholder and the BRLMs are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

1. **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Total Bid Amount (including revisions of Bids) payable by the Bidder does not exceed Rs. 100,000. At the Cut-Off Price, the maximum number of Equity Shares that can be Bid for by Retail Individual Bidders is [●]. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Price does not exceed Rs. 100,000. In case the Bid Price is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-Off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-Off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and subscribe to Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

2. **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by regulatory and statutory authorities governing them. **Under existing SEBI ICDR, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay QIB Margin upon submission of Bid.**

   In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-Off' Price.

3. **For Bidders in the Anchor Investor Portion:** Anchor Investors must submit their Bids for such number of Equity Shares such that the Bid Amount is at least Rs. 100 million and inmultiples of [•] Equity Shares thereafter. Anchor Investors cannot submit a Bid for more than 30% of the QIB Portion.

   Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidders:

1. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.

2. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.

3. Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered and Corporate Office or from any of the members of the Syndicate.

4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids.

5. The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate will be rejected.

Method and Process of Bidding

1. Our Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall contain the disclosures as prescribed under the SEBI ICDR. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI ICDR. The Price Band and the minimum bid lot as decided by the Company in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation.

2. The Members of the Syndicate shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement. The BRLMs shall accept Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

3. The Bid/Issue Period shall be for a minimum of three working days and shall not exceed seven working days. The Bid/ Issue Period maybe extended, if required, by an additional three working days, subject to the total Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

4. During the Bid/Issue Period, except Anchor Investors, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents to register their Bid.

5. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.

6. The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to

either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids" hereinbelow.Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.

7. Except in relation to the Bids received from the Anchor Investors,the members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

8. During the Bid/Issue Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

9. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Terms of Payment and Payment into the Escrow Accounts" on page 354 of this Red Herring Prospectus.

Bids at Different Price Levels and Revision of Bids

1. The Bidders can Bid at any price within the Price Band, in multiples of Re. 1. The Price Band and the minimum bid lot as decided by the Company in consultation with the BRLMs, including the relevant financial ratios computed for both the Cap Price and the Floor Price and shall be published at least two Working Days prior to the Bid/Issue Opening Date in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation.

2. Our Company, in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Issue Period in accordance with SEBI ICDR, in which case the Bid/Issue Period shall be extended further for a period of three additional working days, subject to the total Bid/Issue Period being a maximum of 10 working days. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus.

3. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to BSE and NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and in a regional newspaper, and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLMs, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to the Bidders.

5. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-Off Price. However, bidding at Cut-Off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders who Bid at the Cut-Off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount, based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is

higher than the subscription amount payable by the Retail Individual Bidders, who Bid at the Cut-Off Price shall receive the refund of the excess amounts from the respective Refund Account.

7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at Cut-Off Price could either (i) revise their Bid or (ii) shall make additional payment based on the higher end of the Revised Price Band (such that the total amount i.e., original Bid Price plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders, if such Bidder wants to continue to Bid at Cut-Off Price) with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Price plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from such Bidder and such Bidder is deemed to have approved such revised Bid at Cut-Off Price.

8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have Bid at Cut-Off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Refund Account.

9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

10. Our Company, in consultation with the BRLMs, shall finalise the Issue Price and Anchor Investor Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder shall provide the applicable Margin Amount, and shall, with the submission of the Bid cum Application Form draw a cheque or demand draft for the maximum amount of his/her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) (See "Payment Instructions" on page 365) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Each QIB shall provide their QIB Margin Amount only to a BRLM and/ or its affiliates. Bid cum Application Forms accompanied by cash/Stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form. The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Accounts into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allotment, to the Bidders.

The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 337. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be rejected. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form. QIB Bidders will be required to deposit a margin of 10% at the time of submitting of their Bids.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids, except Bids received from Anchor Investors, using the on-line facilities of BSE and NSE. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted.

2. The BSE and NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis. Bidders are cautioned that a high inflow of Bids typically experienced on the last day of bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded may not be considered for allocation.

3. Bid will only be accepted on working days, that is, Monday to Friday, excluding any public holidays.

4. The aggregate demand and price for Bids registered on the electronic facilities of BSE and NSE, including allocation made to Anchor Investors, will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of BSE and NSE. A graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

5. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

    - Name of the investor (Investors should ensure that the name given in the Bid cum Application form is exactly the same as the Name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form)
    - Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
    - Numbers of Equity Shares Bid for.
    - Bid price.
    - Bid cum Application Form number.
    - Whether Margin Amount, as applicable, has been paid upon submission of Bid cum Application Form.
    - Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

6. A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate. The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/Allotment/transferred as the case may be either by the members of the Syndicate, or our Company.

7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

8. Incase of QIB Bidders in the Net QIB Portion, the BRMLs and/or their affiliates also have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 370 of this Red Herring Prospectus.

9. The permission given by BSE and NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

10. It is also to be distinctly understood that the approval given by BSE and NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.

11. Only Bids that are uploaded on the online IPO system of NSE and BSE shall be considered for allocation/Allotment. In case of discrepancy of data between BSE or NSE and the members of the syndicate, the decision of the BRLMs, based on physical records of Bid cum Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the BRLMs on a regular basis.

3. During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

6. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if

any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. In case of QIB Bidders in the Net QIB Portion, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

7. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

8. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between the online IPO system and the physical Bid cum Application Form, the decision of our Company in consultation with the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date and the BRLMs will analyse the demand generated at various price levels and discuss the pricing strategy with our Company.

2. Our Company in consultation with the BRLMs shall finalise the Anchor Investor Price and the Issue Price.

3. The allocation to QIBs will be at least 60% of the Issue and allocation to Non-Institutional and Retail Individual Bidders will be up to 10% and 30% of the Issue, respectively, and the allocation to the QIBs for at least 60% of the Issue, would be on a proportionate basis, in a manner specified in the SEBI ICDR and this Red Herring Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price. Upto 30% of the QIB Portion shall be available for allocation to Anchor Investors and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

4. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 4,28,095 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.Further, up to 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and up to 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

5. Under-subscription in the Anchor Investor Portion would be met with a spill-over from the Net QIB Portion. If one-third of the Anchor Investor Portion, available for allocation to domestic Mutual Funds, is not subscribed, the same shall be met by a spill over from the Anchor Investor Portion or the Net QIB Portion, if the Anchor Investor Portion is undersubscribed.

6. Under-subscription, if any, categories except the Net QIB Portion would be met with spill-over from other categories at our and the Selling Shareholder sole discretion, in consultation with the BRLMs. If a minimum allocation of 60% of the Issue is not made to the QIBs, the entire subscription monies shall be refunded.

7. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

8. The BRLMs, in consultation with us, shall notify the members of the Syndicate of the Issue Price and the Anchor Investor Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

9. Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Issue, within two days of the the Bid/Issue Closing Date but before the Allotment. In such an event, the Company and the Selling Shareholders shall give reasons thereof in a public notice within two days of the Bid/Issue Closing Date in the same newspaper in which the pre-Issue advertisement had appeared.

10. In terms of the SEBI ICDR, QIBs bidders in Ne QIB Portion shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid Closing Date.

11. Our Company, in consultation with the BRLMs, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

12. The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. Our Company, the Selling Shareholder, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price.

2. After signing the Underwriting Agreement, we would update and file the final Prospectus with the ROC in terms of Section 56, Section 60 and Section 60B of the Companies Act, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

3. Our Company will issue a statutory advertisement after the filing of the Prospectus with the Registrar of Companies. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of the Prospectus will be included in such statutory advertisement.

Advertisement regarding Price Band and Red Herring Prospectus

A statutory advertisement will be issued by our Company after the filing of the Red Herring Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Price Band along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

1. Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLMs or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/allotted

Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders in the Net QIB Portion may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

2. The BRLMs or members of the Syndicate will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN.

3. Bidders who have been allocated/allotted Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

4. The Issuance of CAN is subject to 'Notice to Anchor Investors-Allotmet Reconsiliation and Revised CANs" and "Notice to QIBs - Allotment Reconciliation and Revised CANs" as set forth below.

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, in consultation with the BRLMs, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Price, and (c) the Allotment. Subject to SEBI ICDR, certain Bids/ applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected Bids/ applications will be reflected in the reconciliation and 'Basis of Allocation' as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher than the Anchor Investor Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation or price of Equity Shares, which shall in no event be later than two days after the Bid/Issue Closing Date. Any revised CAN, if issued, will supersede in entirety, the earlier CAN.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bid Applications received. Based on the electronic book, QIBs will be sent a CAN on or prior to [●], indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the physical book prepared by the Registrar. Subject to SEBI ICDR, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. It is not necessary that a revised CAN will be sent. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased Allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that the Allotment/transfer of Equity Shares, as the case may be is done within 15 (fifteen) days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

2. In accordance with the SEBI ICDR, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

3. After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, our Company will allot the Equity Shares to the Allottees.

4. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply, having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Red Herring Prospectus;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) or Anchor Investor Form ([•] in colour) as the case may be;

4. Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialised form only;

5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a Member of the Syndicate;

6. Ensure that you have been given a TRS for all your Bid options;

7. Submit revised Bids to the same Member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

8. Each of the Bidders, should mention their Permanent Account Number (PAN) allotted under the IT Act. For more details, see "Issue Procedure- PAN Number" on page 367 of this Red Herring Prospectus;

9. Ensure that the Demographic Details (as defined hereinbelow) are updated, true and correct in all respects;

10. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Members of the Syndicate;

4. Do not pay the Bid Price in cash, by money order or by postal order or by stockinvest;

5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;

6. Do not Bid at Cut-Off Price (for QIB Bidders and Non-Institutional Bidders and Bidders bidding, for Bid Amount in excess of Rs. 100,000);

7. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

8. Do not Bid at Bid Amount exceeding Rs. 100,000 (for Retail Individual Bidders);

9. Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB; and

10. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians and Eligible NRIs applying on non-repatriation basis and blue colour for Non Residents including, Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI, applying on repatriation basis.

2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

3. For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

4. For Non-Institutional Bidders and QIB Bidding in the Net QIB Portion, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid Date and QIBs bidding in the Net QIB Portion can not withdraw their Bid after the Bid/ Issue Closing Date. The identity of QIBs bidding in the Issue (whether under the Anchor Investor Portion or the Net QIB Portion) shall not be made public.

5. NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

6. Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

7. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLMs nor the Registrar to the Issue nor the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure re-dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither our Company, the Selling Shareholder, Escrow Collection Bank(s), the BRLMs nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.**

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice or refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents including NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI and multilateral and bilateral development financial institutions on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. By FIIs for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 100,000. For further details see "Issue Procedure-Maximum and Minimum Bid Size" on page 351.

3. In the names of individuals, or in the names of FIIs or Foreign Venture Capital Funds registered with SEBI and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

4. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

1. In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and Members of the Syndicate reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

2. In case of Bids made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and Members of the Syndicate reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

3. In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company and Members of the Syndicate reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

4. In case of Bids made by provident funds with minimum corpus of Rs. 2500 lacs (subject to applicable law) and pension funds with minimum corpus of Rs. 2500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company and the Members of the Syndicate reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

5. In case of Bids made by mutual fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

6. Our Company in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

Payment Instructions

Escrow Mechanism

Our Company, the Selling Shareholder and the members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue including the amount due to the Selling Shareholder from the Escrow Account, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account are per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the members of the Syndicate.

2. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLMs or on the Call Notice, as applicable under the category of Bidding.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
   - In case of Resident QIB Bidders: "Escrow Account - Shree Ganesh – QIB - R"
   - In case of Non Resident QIB Bidders: "Escrow Account - Shree Ganesh – QIB - NR"

- In case of Resident Retail and Non-Institutional Bidders: "Escrow Account - Shree Ganesh –R"
- In case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account - Shree Ganesh –NR"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.

6. In case of Bids by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

7. **Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the Balance Amount Payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.**

8. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account.

10. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

Payment Instructions for Anchor Investors

1. Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25% of the Bid Amount along with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

2. Our Company, in consultation with the BRLMs, in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity

Shares allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Anchor Investors.

3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of bidding, shall be payable by the Anchor Investor within two days of the Bid/Issue Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.

4. The instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of Resident Anchor Investors: "Escrow Account - Shree Ganesh –Anchor Investors - R"
   - In case of Non-Resident Anchor Investors: "Escrow Account - Shree Ganesh –Anchor Investors-NR"

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/Money Orders/ Postal orders will not be accepted.

Payment by Stockinvest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Anchor Investors can Bid under the Anchor Investor Portion and also in the QIB Portion and such Bids shall not be treated as multiple Bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications are electronically strung on first name, address (1st Line) and applicant's status. These applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/husbands name to determine if they are multiple applications.

2. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/beneficiary ID. Applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

3. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In cases where there are more than 20 valid applicants having a common address, such Shares will be kept in abeyance, post allotment and released on confirmation of "Know Your Customer" norms by the depositories.

Our Company and the members of the Syndicate reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN' Number

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("**PAN**") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders should mention his/her PAN allotted under the IT Act**. Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Our Right to Reject Bids

In case of QIB Bidding in the Net QIB Portion, our Company in consultation with the BRLMs may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

Our Company, in consultation with BRLMs, reserve the right to reject any Bid received from Anchor Investors without assigning any reasons therefor.

In case of Non-Institutional Bidders and Retail Individual Bidders, our Company, the Members of the Syndicate and the Registrar to the Issue have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
2. Age of First Bidder not given;
3. Bids by minors;
4. PAN not stated and GIR number given instead of PAN;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Bids at Cut-Off Price by Non-Institutional and QIB Bidders whose Bid Amount exceeds Rs. 100,000 and Bids for more than [●] Equity Shares at the Cut-Off Price by Retail Individual Bidders only.
11. Bids for number of Equity Shares which are not in multiples of [•];
12. Category not ticked;
13. Multiple Bids as defined in this Red Herring Prospectus;

- In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

14. Bids accompanied by Stockinvest/money order/postal order/cash;
15. Signature of sole and / or joint Bidders missing;
16. Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members;
17. Bid cum Application Forms does not have Bidder's depository account details;

18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

19. Bids that do not comply with the Securities laws of their respective jurisdictions;

20. Bids or revisions thereof by QIB Bidders or Non Institutional Bidders, uploaded after 4.00 p.m. on the Bid/ Issue Closing Date;

21. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;

22. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

23. Bids by OCBs;

24. Bids in respect where the Bid cum Application form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;

25. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

26. Bids by person who are not eligible to acquire Equity Shares if our Company, in terms of all applicable laws, rules, regulations, guidelines and approvals;

27. Bids not uploaded in the book would be rejected;

28. Bids made by body corporates in the retail category;

29. Bids by any person outside India if not in compliance with applicable foreign and Indian Laws; and

30. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

31. Bids by persons resident in the United States of America

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Equity Shares In Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Tripartite Agreement dated September 29, 2009 with NSDL, our Company and the Registrar to the Issue;

2. Tripartite Agreement dated October 3, 2009 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

1. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

2. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder

3. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

4. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

5. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

6. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 42,80,949 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 42,80,949 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer to "Methods of Proportionate Basis of Allotment in the Issue" hereinbelow.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 14,26,983 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 14,26,983 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIB Bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Net QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:
  - In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Mutual Fund Bids exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

  - In the second instance Allotment to all QIBs shall be determined as follows:

- The number of Equity Shares available for this category shall be the Net QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

- The subscription level for this category shall be determined based on the overall subscription in the Net QIB Portion less allocation only to Mutual Funds as calculated in (a) above.

- In the event that the oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

- Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidding in the Net QIB Portion shall not be less than 85,61,899 Equity Shares

For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Price will be at the discretion of the Company, in consultation with the BRLMs, subject to compliance with the following requirements:

not more than 30% of the QIB Portion will be allocated to Anchor Investors.

(ii) at least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only.

(iii) Allocation to a minimum number of two Anchor Investors.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Price shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date The BRLMs, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the 'Basis of Allocation' is finalized in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalize the 'Basis of Allocation' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a "100% Book Building Process" pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding/Issue Period. The Bid/Issue Period will commence on [●] and expire on [●]. Following the expiration of the Bidding/Issue Period, our Company, in consultation with the BRLMs, will determine the Issue Price, and, in consultation with the BRLMs and the Selling Shareholder, the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI ICDR require our Company to complete the Allotment to successful bidders within 15 calendar days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of Proportionate Basis of Allotment in the Issue

Except in relation to Anchor Investor, in the event of the Issue being over-subscribed, our Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

Except in relation to Anchor Investor, the Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- Bidders will be categorized according to the number of Equity Shares applied for.

- The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

- Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

- In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

  – The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

  – Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

- If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of 1 (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

- If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	2000 lacs equity

2	Allocation QIB (60%)	1200 lacs shares
3	Anchor Investor Portion	360 lacs shares
4	Portion Avilable to QIBs other Anchor Investors ((2) minus (3))	840 lacs shares
	Of which:	
	a. Allocation to MF (5%)	42 lacs
	b. Balance for all QIBs including MFs	798lacs
5	No. of QIB applicants	10
6	No. of shares applied for	5000 lacs equity shares

B. Details of QIB Bids

S.No	Type of QIB bidders#	No. of shares bid for (in lacs)
1	A1	500
2	A2	200
3	A3	1300
4	A4	500
5	A5	500
6	MF1	400
7	MF2	400
8	MF3	800
9	MF4	200
10	MF5	200
	Total	**5000**

 # A1-A5: (QIB Bidders other than MFs), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in lacs)

Type of QIB bidders	Shares bid for	Allocation of 42 lacs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 798 lacs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	500	0	79.8	0
A2	200	0	40	0
A3	1300	0	207.4	0
A4	500	0	79.8	0
A5	500	0	79.8	0
MF1	400	8.4	63.8	103.2
MF2	400	8.4	63.8	103.2
MF3	800	16.8	127.6	206.4
MF4	200	4.2	31.9	51.6
MF5	200	4.2	31.9	51.6
	5000	42	798	516.4

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" on page 337 of this Red Herring Prospectus.

2. Out of 1200 lacs Equity Shares allocated to QIBs, sixty lacs (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 200 shares in QIB category.

3. The balance 1140 lacs Equity Shares (i.e. 1200 - 60 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Equity Shares (including 5 MF applicants who applied for 200 Equity Shares).

4. The figures in the fourth column titled "Allocation of balance 1140 lacs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 1140 / 494

   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 1140/494

   - The numerator and denominator for arriving at allocation of 1140 lacs shares to the 10 QIBs are reduced by 60 lac shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof And a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within two working days from the date of the finalization of basis of allotment. Applicants residing at 68 (sixty eight) centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within fifteen days of closure of Bid / Issue.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and

- We shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned fifteen centres, except where the applicant, being eligible, opts to receive refund through NEFT direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds Rs. 1 lac, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch.

IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company and the Selling Shareholder shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR, our Company further undertake that:

Our Company agrees that allotment of securities offered to the public shall be made not later than fifteen days of the closure of Issue. Our Company further agrees that it shall pay interest at the rate of fifteen per cent per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the Issue.

Our Company and the Selling Shareholder will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

UNDERTAKINGS

Our Company undertakes the following:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;

- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven Business Days of finalisation of the Basis of Allotment;

- that our Company shall apply in advance for the listing of Equity Shares;

- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time;

- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- that adequate arrangements shall be made to collect all ASBA Forms and all ASBA shall be considered similar to other applications while finalizing the Basis of Allotment.

Undertakings by the Selling Shareholder

The Selling Shareholder along with our Company undertakes the following:

- the Equity Shares being sold pursuant to the Offer for Sale, have been held by the Selling Shareholder for a period of more than one year, in the form of cumulative convertible preference shares which were converted into Equity Shares on August 28, 2009, and the Equity Shares are free and clear of any liens or encumbrances, and shall be transferred to the eligible and successful Bidders within the specified time; and

- that the Selling Shareholder shall not have recourse to the proceeds of the Offer for sale until the approval for the trading of the Equity Shares from all the stock exchanges, where listing of the Equity Shares is sought, has been received

Utilisation of Fresh Issue proceeds

Our Board of Directors certify that:

- All monies received out of the Issue to the public shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

- Our Company shall not have recourse to the proceeds of the Fresh Issue and the Selling Shareholder shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Anchor Investor Portion

The Company may consider participation by Anchor Investors in the Issue for up to [●] Equity Shares in accordance with the applicable SEBI ICDR. The Anchor Investor Bid/Issue Period shall be one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor category. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the SEBI ICDR, the key terms for participation in the Anchor Investor Portion are as follows:

1. Anchor Investors shall be QIBs as defined in the SEBI ICDR.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.

3. One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds subject to valid bids received from domestic Mutual Funds at or above the price at which allocation is being made to the Anchor Investors.

4. The bidding for the Anchor Investor Portion shall open one day before the Bid/Issue Opening Date and shall be completed on the same day.

5. The Company, in consultation with the BRLMs, shall finalise allocation to the Anchor\ Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

6. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLMs before the Bid/Issue Opening Date.

7. Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of bidding, shall be payable by the Anchor Investor within two days of the Bid/ Issue Closing Date.

8. In case the Issue Price is greater than the price at which Equity Shares are allocated to Anchor Investors, the additional amount being the difference between the Issue Price and the price at which Equity Shares were allocated to the Anchor Investors shall be paid by the Anchor Investors. In the event the Issue Price is lower than the price at which Equity Shares are allocated to Anchor Investors, the allotment to Anchor Investors shall be at the higher price i.e. the price at which Equity Shares were allocated under the Anchor Investor Portion.

9. The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

10. The BRLMs or any person related to them, Promoters, members of our Promoter Group or Group Companies shall not participate in the Anchor Investor Portion.

11. Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

12. The instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: "Escrow Account - Shree Ganesh – Escrow Account – Anchor Investor - R"

- In case of Non-Resident Anchor Investor: "Escrow Account - Shree Ganesh – Escrow Account – Anchor Investor - NR"

- The minimum number of Allotees in the Anchor Investor Portion shall not be less than:

  (a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and

  (b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band published by the Company in consultation with the BRLMs in a national English and Hindi newspaper at least two Working Days prior to the Bid/Issue Opening Date. Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment. This Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the foretasted paragraphs, to the extent applicable.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

An ASBA Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of this Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI ICDR, an investor, other than a QIB, can submit their application through ASBA process to Bid for the Equity Shares.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.

Information for the ASBA Bidders:

1. The BRLMs shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLMs shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSBs shall make the same available on their websites.

2. ASBA Bidders, under the ASBA process, who would like to obtain this Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the BRLMs. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

3. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

4. ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.

5. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.

6. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.

7. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

Method and Process of Bidding

1. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR and Red Herring Prospectus.

2. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.

3. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

4. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

5. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (TRS). The TRS shall be furnished to the ASBA Bidder on request.

6. An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will

be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue.

Bidding

1. The Price Band has been fixed at Rs. [●] to Rs. [●] per Equity Share of Rs. 10 each, Rs. [●] being the Floor Price and Rs. [●] being the Cap Price.

2. In accordance with the SEBI ICDR, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

3. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLMs, SCSBs and at the terminals of the members of the Syndicate.

4. Our Company, in consultation with the BRLMs can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

5. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSB shall block the additional Bid amount.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI ICDR, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

1. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

   - it has received the ASBA in a physical or electronic form; and

   - it has blocked the application money in the ASBA Account specified in the ASBA Bid cum Application Form or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

2. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.

3. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.

4. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

   - Name of the Bidder(s);
   - Application Number;
   - Permanent Account Number;
   - Number of Equity Shares Bid for;
   - Depository Participant identification No.; and
   - Client identification No. of the Bidder's beneficiary account.

5. In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

6. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.

7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

8. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLMs or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and

other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

9. The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

10. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

The BRLMs, our Company, the Selling Shareholder and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

Build up of the book and revision of Bids

1. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the BRLMs and the Stock Exchanges on a regular basis.

3. ASBA Bidders may revise their Bids on intimation to the respective SCSB by submission of the ASBA Revision Form.

4. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Forms and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.

5. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled “Issue Procedure” beginning on page 346 of this Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper, Hindi national newspaper of wide circulation and a Marathi newspaper with wide circulation at the place where the Registered Office of our Company is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:

   - The number of Equity Shares to be allotted against each successful ASBA;
   - The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
   - The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
   - The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

   Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

2. The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

1. Our Company will ensure that the Allotment/ transfer (as the case may be) of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

2. As per the SEBI ICDR, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allotees. Allotees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- Check if you are an ASBA Investor and eligible to Bid under the ASBA process.
- Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.
- Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar to the Issue or BRLMs to the Issue.
- Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account Number in the ASBA Bid cum Application Form.
- Ensure that you have funds equal to the number of Equity Shares Bid for is available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- Ensure that you have mentioned your Permanent Account Number (PAN) allotted under the I.T. Act.
- Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- Do not submit an ASBA Bid if you are a QIB.
- Do not Bid for lower than the minimum Bid size.
- Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs shall not be accepted under the ASBA process.
- Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- Do not submit the GIR number instead of the PAN Number.
- Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WITH THE DEPOSITORY PARTICIPANT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name, identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLMs may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/ Issue Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in "Issue Procedure - Multiple Bids" on page 367 of Red Herring Prospectus.

Permanent Account Number

For details, see "Permanent Account Number or PAN" on page 367 of this Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the Depository Participant's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejections" on page 370 of this Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, inter alia, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Age of first Bidder not given;
3. Bid made by QIBs;
4. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
5. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
6. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
7. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
8. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
9. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and
10. Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, bank account number in which the amount equivalent to the Bid Amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLMs, the Syndicate Members and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "Issue Procedure- Impersonation" on page 332 of this Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR, our Company undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date; and
- the SCSBs will unblock funds in the ASBA Bidder's Bank Account within 15 days from the Bid/Issue Closing Date based on instructions received from the Registrar to the Issue.
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 (fifteen) days of the Bid/Issue Closing Date.
- It shall pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 (fifteen) days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

Basis of Allotment

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The Basis of Allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section "Issue Procedure- Basis of Allotment" on page 395 of this Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "Issue Procedure - Undertaking by our Company", with respect to the ASBA Bidders, our Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see "Objects of the Issue - Utilisation of Issue Proceeds" on page 35 of this Red Herring Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Foreign Investment Policy of the Government of India, as notified through press notes and press releases issued from time to time, and FEMA and circulars and notifications issued thereunder. While the Foreign Investment Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of the Government of India ("FIPB") and the RBI.

Currently, the Foreign Investment Policy and FEMA stipulate that investments by persons resident outside India in companies in the sector that we operate is under the automatic route up to 100% of the outstanding capital of the company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

However, it may be distinctly understood that there is no reservation for FIIs or NRIs and in view of the SEBI ICDR, the allotment and/or transfer of shares to FIIs and NRIs would be made in the manner detailed in "Terms of the Issue" on page 342 of this Red Herring Prospectus.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

For restrictions on investments by Foreign Institutional Investors and Foreign Venture Capital Investors, see "Issue Procedure" on page 346 of this Red Herring Prospectus.

SECTION VIII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

We have submitted the Articles of Association to the Stock Exchanges and we may be required to amend the Articles of Association, if so required by the Stock Exchanges. The main provisions of our Articles of Association, as submitted to the Stock Exchanges for their approval are as follows:

Pursuant to Schedule II of the Companies Act and the SEBI ICDR, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

Article 6

Subject to the provisions of these Articles, the Company shall have power to alter the conditions of the Memorandum relating to Share capital as follows, that is to say it may -

1. increase its Share capital by such amount as it thinks expedient by issuing new Shares;

2. consolidate and divide all or any of its Equity Share capital into Shares of larger denomination than its existing Shares;

3. sub-divide its Equity Shares or any of them into Shares of smaller amount than is fixed by the Memorandum in such manner that after the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share, from which the reduced Share is derived;

4. cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person and diminish the amount of its Equity Share capital by the amount of the shares as cancelled, provided, however, that the cancellation of Shares in pursuance of the exercise of this power shall not be deemed to be a reduction of Share capital within the meaning of the Act.

Article 7

Subject to the provisions of the Act, Applicable Law and these Articles, the Board may issue, allot or otherwise dispose of the shares to such Persons, in such proportion and on such terms and conditions, either at a premium or at par or (subject to the compliance with the provision of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Board think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call for Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

Article 8

An application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles and every Person who, thus or otherwise agrees to accept in writing the Shares and whose name is entered on the register of Members shall for the purpose of these Articles, be a Shareholder.

Article 9

If by the conditions of allotment of any Shares, the whole or a part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the Person who, for the time being and from time to time shall be the registered holder of the Shares of his heirs, executors, administrators and legal representatives.

Redeemable Preference Shares

Article 13

Subject to the provisions of the Act, the Company shall have the power to issue preference Shares, which are liable to be redeemed, and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

Calls

Article 16

The Board may, from time to time and subject to the terms on which any Shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the Members in respect of all monies unpaid on the Shares held by them respectively, and each Member shall pay the amount of every call so made on him to the Person or Persons and at the times and places appointed by the Board. A call may be made payable by installments.

Article 17

Fifteen days notice in writing of any call shall be given by the Board specifying the time and place of payment, and the Person or Persons to whom such call shall be paid.

Article 18

A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.

Article 25

On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member, in respect of whose Shares, the money is sought to be recovered appears entered on the register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the Meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.

Article 26

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

Article 27

The Board may, if they think fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the monies due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance or so much thereof, as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made. The Company may pay interest at such rate as the Member paying the sum in advance and the Board agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the monies so paid by him until the same would but for such payment become presently payable. The provision of this Article shall mutatis mutandis apply to the calls on Debentures.

Buyback of Shares

Article 28

Subject to the provisions of the Act, the Company is authorized to buy back the Company's Shares or other specified securities out of its free reserves or its securities premium account or from the proceeds of any Shares or other specified securities, provided that no buy -back of any kind of Shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of Shares or the same kind of other specified securities.

Forfeiture of Shares

Article 29

29. The notice aforesaid shall:

(a) name further day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid; and

(b) state that in the event of non-payment on or before the day so named at the place appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

Article 30

If the requirements of any such notice as aforesaid are not complied with, any Shares, in respect of which the notice has been given, may, at any time thereafter before the payment required by the notice has been made, be forfeited by the resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

Article 31

When any Shares shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of Members but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

Transfer of Shares

Article 38

There shall be a common instrument of transfer which shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of Shares and the registration thereof.

Article 39

Every instrument of transfer duly stamped must be accompanied by the certificate of Shares proposed to be transferred and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the Shares.

Article 40

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Article 41

Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the register of Members in respect thereof. The Board shall not issue or register a transfer of any Share in favour of a minor (except in cases when they are fully paid up).

Article 42

The Board shall have power on giving seven days previous notice by advertisement in any Hindi and English newspapers of reasonable large circulation circulating in the district in which the Registered Office is situated, to close the transfer books, the register of Members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.

Article 43

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board shall so think fit.

Article 44

Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with Applicable Law and subject to the provisions the Act, provisions of the Securities Contracts (Regulation) Act,1956 and the other provisions of Applicable Law, the Board may, at its own absolute and uncontrolled discretion and by giving reasons, inter alia, decline to register or acknowledge any transfer of Shares whether fully paid or not. The right of refusal of the Board shall not be affected by the circumstances that the proposed transferee is already a Member of the Company, but in such cases the Board shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons, indebted to the Company on any account whatsoever, except when the Company has lien on Shares. Transfer of Shares/Debentures in whatever lot shall not be refused.

Dematerialisation of shares

Article 46 (b)

Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a Person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates for the securities. If a Person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

Transmission of shares

Article 47

Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a Person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder. Where the Shares in, or Debentures of the Company are held by more than one Persons jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

Further issue of shares

Article 55

55. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued capital or out of the increased Share capital then:

(a) Such further Shares shall be offered to the Persons who at the date of the offer, are holders of the Shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on these Shares at the date;

(b) Such offer shall be made by a notice specifying the number of Shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right. Provided that the Board may decline, without assigning any reason to allot any Shares to any Person in whose favour any Member may renounce the Shares offered to him;

(d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the Person to whom such notice has been given that he declines to accept the Shares offered, the Board may dispose of them in such manner and to such Person(s) as they may think, in their sole discretion, fit.

Article 56

Notwithstanding anything contained in Article 55 clause (a) hereof, the further Shares aforesaid may be offered to any Person (whether or not those Persons include the Persons referred to in clause (a) of Article 55 hereof) in any manner whatsoever.

(a) If a Special Resolution to that affect is passed by the Company in General Meeting, or

(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government is satisfied on an application made by the Board in this behalf that the proposal is most beneficial to the Company.

Article 57

Nothing in these Articles hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any Person to exercise the right of renunciation for a second time on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company;

(i) To convert such Debentures or loans into Shares in the Company; or
(ii) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise)

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term.

(a) Either have been approved by the Central Government before the issue of the Debentures, or the raising of the loans is in conformity with rules, if any, made by that Government in this behalf; and

(b) Have also been approved by a Special Resolution passed by the Company in General Meeting before the issue of Debentures or raising of loans, in the case of Debentures or loans, other than Debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf.

Lien

Article 58

The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid-up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not) called or payable at a fixed time in respect of such Shares and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect. Any such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares. Unless otherwise agreed, the registration of a transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Board may at any time declare any Shares/Debentures wholly or in part to be exempt from the provisions of this clause.

Voting

Article 79

Mmber shall be entitled to vote either personally or by proxy/attorney, at any General Meeting or meeting of a class of Shareholders, either upon a show of hands or upon a poll in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or, shares with regard to which the Company has, and has exercised any right of lien.

Article 80

Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of Shares forming part of the capital of the Company, every Member not disqualified by the last preceding Article shall be entitled to be present in person or by proxy or by attorney and to speak and vote at such Meeting, and on a show of hands every Member present in person or through attorney shall have one vote and upon a poll the voting rights of every Member present in person or by proxy or by attorney shall be in proportion to his Shares of the Paid-Up Capital of the Company. Provided, however, if any preference Shareholder be present at any Meeting of the Company, save as provided, in the provisions of the act, he shall have a right to vote only on resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

Article 81

On a poll taken at Meeting of the Company, a Member entitled to more than one vote, or his proxy or other Person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.

Article 82

A Member of unsound mind, in respect of whom an order has been made by any court having jurisdiction, may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may on poll vote by proxy.

Article 83

If any Member be a minor, the vote in respect of his Share or Shares shall be exercised by his guardian, or any of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.

Article 84

If there be joint holders of any Shares, anyone of such Person may vote at any Meeting or may appoint another Person (whether a Member or not) as his proxy or attorney in respect of such Shares. The proxy so appointed shall not have any right to speak at the Meeting and, if more than one of such joint holders be present at any Meeting then one of the said Persons so present whose name stands higher on the register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other joint-holder(s) shall be entitled to be present at the Meeting. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

Article 85

Subject to the provisions of these Articles, votes may be given either personally or by proxy or by attorney. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with the provisions of the act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents, in such manner as the body corporate would exercise if it were an individual Member.

Article 86

Any Person entitled to transfer any Shares may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such Shares, provided that at least forty eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such Shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

Article 87

Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the Meeting.

Article 88

An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.

Article 89

A Member present by proxy shall be entitled to vote only on a poll.

Article 90

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority shall be deposited at the Registered Office not later than forty eight hours before the time for holding the Meeting at which the Person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Article 91

Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in the Act.

Article 92

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy, or any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Registered Office before the Meeting.

Article 93

No objection shall be made to the validity of any vote, except at any Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy or by attorney, not disallowed at such Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

Article 94

Notwithstanding any thing contained in the foregoing, the Company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no Meeting needs to be held at a specified time and space requiring physical presence of Members to form a quorum. Where a resolution will be passed by postal ballot the Company shall, in addition to the requirements of giving requisite notice, send to all the Members the following:

- Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.

- Postal ballot for giving assent or dissent, in writing by Members and

- Postage prepaid envelope (by registered post) for communicating assents or dissents on the postal ballot to the Company with a request to the Members to send their communications within thirty days from the date of dispatch of notice.

Dividends

Article 128

The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the Members in proportion to the amount of capital paid-up on the Shares held by them respectively.

Article 130

Any General Meeting declaring a dividend may make a call on the Members of such amount as the meeting fixes. If the call on each Member does not exceed the dividend payable to him and the call is made payable at the same time as the dividend, the dividend may, if so arranged between the Company and the Member, be set off against the call.

Article 131

No dividends shall be paid otherwise than in cash or out of the profits of the year or any other undistributed profits of earlier years and no dividends shall carry interest as against the Company. The declaration of the Board of Directors as to the amount of the profits of the Company shall be conclusive.

Article 133

(i) Subject to the rights of Persons if any, entitled to Shares with special rights as to dividends, it shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividends are paid.

(ii) No amount paid or credited as paid on Shares in advance of calls shall be treated for the purposes of this Article as "paid on the Share".

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividends are paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

Article 134

The Board of Directors may, from time to time, before recommending any dividend, set apart such portion of the profits of the Company as they think fit as a reserve fund, equalization fund or depreciation fund to meet contingencies or for the liquidation of any Debentures, debts or other liabilities of the Company or for repairing, improving and maintaining any of the property of the Company and for such other purposes of the Company as the Board of Directors in their absolute discretion think prudent and may invest the sum so set aside in such manner as they may think fit.

Article 135

The Board of Directors may also carry forward any profits, which it may think prudent not to divide without setting them aside as a reserve.

Article 136

The Board of Directors may retain any dividend or other monies payable in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

Article 137

If the Company has not provided for depreciation for any previous Financial Year or years, it shall, before declaring or paying a dividend for any Financial Year, provide for such depreciation out of the profits of the Financial Year or years.

Article 138

If the Company has incurred any loss in any previous Financial Year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits or the Company in the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act, or against both.

Article 139

Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Article 140

A transfer of Shares shall not pass the right to any dividend thereon before the registration of the transfer.

Article 141

Any dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant or by a pay order or receipt having the force of a cheque or warrant, sent through internationally or nationally recognized courier service providers, to the registered address of the Members or Person entitled or in case of joint Shareholders to the registered address of that one of the joint Shareholders who is first named on the register of Members or to such Person and to such address as the Shareholders of the joint Shareholders may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque warrant, pay order or receipt lost in transmission or for any cheque or warrant or the forged signature of any pay order or receipt or the fraudulent recovery of the dividend by any other means.

Article 142

Any one of two or more joint holders of a Share may give effectual receipts for any dividends or other monies payable in respect of such Share.

Article 143

No Member shall be entitled to receive payments of any interest or dividend in respect of his Share or Shares, while any money may be due or owing from him to the Company in respect of such Share or Shares or otherwise howsoever, either alone or jointly with any other Person or Persons and the Board may deduct from the interest or dividend payable to any Member all sums of money so due from him to the Company.

Article 144

Where the Company has declared a dividend which has not been paid or the dividend warrant in respect thereof has not been posted within thirty days from the date of declaration to any Shareholder entitled to the payment of the dividend the Company shall within seven days from the date of expiry of the said period of thirty days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend of Shree Ganesh Jewellery House Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Article 145

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under the provisions of the Act. A claim to any money so transferred to the Investor Education and Protection Fund may be preferred to the Central Government by the Shareholders to whom the money is due.

Article 146

No unclaimed or unpaid dividend shall be forfeited by the Board.

Article 152

(i) The Company in General Meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalize whole or any part of the amount for the time being standing to the credit of any of the Company's reserve account or to credit to the profit and loss account, and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the Securities Premium Account be capitalized and distributed amongst such of the Members as would be entitled to receive the same if distributed by way of dividend in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such Members in paying up in full any unissued Shares, Debentures of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, so that such distribution or payment shall be accepted by such Members in full satisfaction of their interest in the said capitalized sum. Provided that any sum standing to the credit of a Securities Premium Account or a Capital Redemption Reserve Fund may, in accordance with the applicable provisions of the Act for the purposes of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.

(ii) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(a) Paying up any amount for the time being unpaid on any Shares held by such Members;

(b) Paying up in full unissued Shares of the Company to be allotted, distributed and credited as fully paid up;

(c) Partly in the way specified in sub-Article (a) and partly in the way specified in sub-Article (b) above.

(iii) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

Article 158

Subject to the provisions of the Act, every Director, Secretary, Executive Chairman, MD, manager or officer of the Company or any Person (whether an officer of the Company or not) employed by the Company as Auditor, ("Indemnified Person") shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, Executive Chairman, manager, officer or Auditor in defending himself against any proceedings, whether civil or criminal in which judgment is given in his favour or on which he is acquitted or in connection with any application under Section 633 of the Act, in which relief is granted to him by the court. This clause is subject to the provisions of the Act.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, West Bengal for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated September 23, 2009 from our Company and the Selling Shareholder appointing the Book Running Lead Managers.

2. Memorandum of Understanding between our Company, the Selling Shareholder and the Book Running Lead Managers dated September 24, 2009.

3. Memorandum of Understanding between our Company, the Selling Shareholder and the Registrar to the Issue dated March 10, 2010.

4. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the Book Running Lead Managers, the Escrow Banks and the Registrar to the Issue.

5. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members.

6. Underwriting Agreement dated [●] between our Company, the Selling Shareholder, the Book Running Lead Managers and the Syndicate Members.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.

2. Our certificate of incorporation.

3. Board resolutions in relation to the Issue.

4. Shareholders’ resolutions in relation to the Issue.

5. Board resolution of the Selling Shareholder dated September 23, 2009 authorizing the transfer of 21,33,334 Equity Shares in the Offer for Sale.

6. Shareholders’ Resolutions of the general body for appointment and remuneration of our whole-time Directors.

7. Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as restated, under Indian GAAP as at and for the years ended March 31, 2009, 2008, 2007, 2006 and 2005 by BSR & Associates, Chartered Accountants and their audit report on the same, dated September 24, 2009.

8. Statement of Tax Benefits from J. K. Chanda & Associates, Chartered Accountants dated September 21, 2009 – Auditor's Report on possible Income-tax benefits available to our Company and our shareholders.

9. Copies of annual reports of our Company for the years ended March 31, 2005 and 2006, 2007, 2008 and 2009.

10. Consent of BSR & Associates, Chartered Accountants, our Auditors for inclusion of their reports on restated financial statements and auditors report on audited financial statements in the form and context in which they appear in this Red Herring Prospectus.

11. Consents of Book Running Lead Managers, Syndicate Members, Registrar to the Issue, Bankers to the Issue, Legal Counsel to the Issue, Directors of our Company, Company Secretary and Compliance Officer, Bankers to our Company, as referred to, in their respective capacities.

12. Scheme of Amalgamation between Doyen Traders and Properties Private Limited, Shree Gajanand Jewellers Private Limited, Pitty Fincon Service Private Limited, Pancharatna Jewellers Private Limited, Janki Properties Private Limited, Creative Jewels (India) Private Limited with our Company

13. Share Subscription Agreement dated March 12, 2008 between our Company, the Promoters and Credit Suisse PE Asia Investments (Mauritius) Limited.

14. Shareholders Agreement dated March 12, 2008 and Supplementary Agreement dated September 24, 2009 between our Company, the Promoters and Credit Suisse PE Asia Investments (Mauritius) Limited

15. Convertible Debenture Subscription Agreement dated June 13, 2007 between Bennett, Coleman and Co. Limited and our Company and Mr. Umesh Parekh (on behalf of the Promoters), and amended by a supplementary agreement dated June 13, 2007.

16. Extract of the order of the Hon'ble High Court of Calcutta dated October 28, 2009 for the amalgamation of 11 of our subsidiaries, namely, Gold Art Jewellers Private Limited, J T Metals and Minerals Exports Private Limited, Bajoria Apartments Private Limited, Chaturbhuj Jewellery House Private Limited, Samukh Exim Private Limited, Shrishti Jewel Art Private Limited, Galaxy Jewel Art Private Limited, Safal Jewellers Private Limited, Subarna Jewels Private Limited, Mudrika Jewels Private Limited and Smart Gold Jewel House Private Limited with our subsidiary, Easy Fit Jewellery Private Limited.

17. Listing Agreement dated [●] with [●].

18. Initial listing applications dated September 29, 2009 filed with both the BSE and NSE.

19. In-principle listing approval dated November 6, 2009 and November 27, 2009 from BSE and NSE respectively.

20. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated September 29, 2009.

21. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated October 3, 2009.

22. Due diligence certificate dated September 29, 2009 to SEBI from the Book Running Lead Managers.

23. SEBI interim observation letter no. CFD/DIL/PB/MS/180674/2009 dated October 23, 2009 and SEBI observation letter no. CFD/DIL/ISSUES/SK/MS/192330/2010 dated January 25, 2010.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

Declaration by our Company

All relevant provisions of the Companies Act, 1956, and the regulations issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Nilesh Parekh Chairman, Executive Director	Mr. Umesh Parekh Managing Director
Mr. Sharad Mohata Non-executive Director	Mr. Hemang Raja Nominee Director, Nominee of Credit Suisse PE Asia Investments (Mauritius) Limited
Mr. Pawan Singh Ingty Independent Director	Mr. Satish Chandra Chaturvedi Independent Director
Mr. Dwarka Prasad Mathur Independent Director	Mr. Tushar Kanti Das Independent Director

Signed by the Chief Financial Officer

Mr. Ashok P. Sahni
Chief Financial Officer

Declaration by the Selling Shareholder:

The Selling Shareholder certifies that all statements made by the Selling Shareholder in this Red Herring Prospectus about or in relation to the Selling Shareholder are true and correct.

Signed by the Selling Shareholder

Mr. Rakesh Mital
Authorised Signatory

Date: March 12, 2010 Place: Kolkata

CARE Ratings

CREDIT ANALYSIS & RESEARCH LTD.
3rd Floor, Prasad Chambers
(Shagun Mall Building)
10A, Shakespeare Sarani,
Kolkata - 700 071
Phone / Fax:
2283 1800, 2289 6150, 2280 8472

November 16, 2009

Shri Umesh Parekh
Managing Director
Shree Ganesh Jewellery House Ltd.
Avani Signature, 91A/1, Park Street
Block – 402, 4th Floor
Kolkata- 700016

Confidential

Dear Sir,

Grading of Initial Public Offering (IPO)

Please refer to our letter dated October 26, 2009 on the captioned subject.

2. The rationale for the grading is attached as ***Annexure - I***. Please note that the rationale would be published in the forthcoming issue of our quarterly journal, 'CAREVIEW'.

3. A write-up on the above grading is proposed to be issued to the press shortly. A draft of the press release is enclosed for your perusal as ***Annexure - II***.

4. We request you to peruse the Rationale and Press Release and offer your comments, if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by Thursday, November 19, 2009, we will proceed on the basis that you have no comments to offer.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

(S. Chakraborty)
Dy. Manager

(A. Saha)
Sr. Manager

Encl. – As above

Annexure I

Rationale

IPO Grading **CARE IPO Grade 3**

CARE has assigned a 'CARE IPO Grade 3' grading to the proposed Initial Public Offering (IPO) of Shree Ganesh Jewellery House Ltd. (SGJHL). SGJHL proposes an IPO of around 142.7 lakh equity shares of Rs.10 each. CARE IPO Grade 3 indicates 'average fundamentals'. CARE's IPO grading assigned to any individual issue represents a relative assessment of the fundamentals of the issuer.

The above grading draws strength from rich experience of the promoters with satisfactory track record, established brand name, internationally accepted designs with strong presence in overseas market, strong skilled craftsmen base, strategic location of manufacturing units at Special Economic Zone (enjoying various tax holidays), significant growth in revenue & profit, comfortable profitability & financial position (including high level of return on networth) and high entry barrier in the gold jewellery market. Company's having got the status of a 'nominated agency' by Govt. of India (GoI) to import gold directly and the presence of experienced professionals in the Board of Directors of the company also support the grading. The grading is however, constrained by the company's concentration on single product, concentration of sales in Middle East, high overall gearing ratio, low margin business, risks associated with implementation of proposed projects, dominance of unorganised sector players in domestic jewellery market, seasonality of demand and slow recovery of the economy after the severe slowdown.

Company Background

SGJHL, incorporated in August 2002, belongs to Shree Ganesh Group of Kolkata which is engaged in trading and manufacturing & export of gold and gemstone & diamond studded jewellery over the last 70 years. The company markets its jewellery products under the brand name, 'GAJA'. It is the largest exporter of the handcrafted gold jewellery from India. The current promoters of the group are Shri Nilesh Parekh and Shri Umesh Parekh, two brothers, having more than two decades of experience in gold jewellery business.

Promoters

The current promoters are third generation entrepreneurs. The promoters & their family, currently, hold 88.33% of equity of SGJHL. Credit Suisse PE Asia

Investments (Mauritius) Limited and Bennett Coleman & Co. Ltd. hold the balance equity stake in the company. Post IPO, the promoters group is likely to have 70.66% holding in the company, while the stake of Indian public will be 23.52%.

Management

SGJHL has a broad-based eight member Board of Directors (BOD) including the Chairman & Managing Director. The board comprises two members from the promoters' family, four independent and two non independent directors (including one nominee director). The day-to-day affairs of the company are managed by Shri Umesh Parekh, MD, duly assisted by qualified professionals having rich experience in the gem & jewellery industry.

Corporate Governance

All the independent Non-Executive Directors have rich industrial experience. The company is, by and large, in compliance with the applicable provisions of the listing agreement and clause 49 pertaining to corporate governance. SGJHL has formed different committees of Board, like Audit Committee, Remuneration Committee, Investor Grievance Redressal Committee and IPO Committee.

Operations

The company deals in handcrafted and hallmarked gold jewellery, gold enameled jewellery and gold jewellery studded with precious stones and semi-precious stones. Currently, the company has manufacturing capacity of gold jewellery to the tune of 24,000 kgs p.a (maximum) at Manikanchan SEZ (enjoying various tax holidays) and achieved a production of 12,844 kgs of gold jewellery in FY09. Besides, the company has recently opened a new vertical in diamond jewellery manufacturing in the same premises, with installation of a fully integrated casting diamond jewellery unit.

SGJHL has been able to employ skilled craftsmen at cheaper cost with vast traditional knowledge & expertise, as the manufacturing units are located in West Bengal (where skilled labour & craftsmen for manufacture of handcrafted jewellery are abundantly available).

SGJHL caters mainly to the export market (99% of gross sales in FY09). 'Gold jewellery & articles' segment has been the major contributor to SGJHL's total income over the last few years. During FY09, quantity sold & average gross sales price realisation (AGSPR) increased by 16.6% & 36.5% respectively vis-à-vis FY08 on account of focus on higher valued plain gold jewellery, overall increase in demand of studded jewellery and continuous weakening of rupee vis-a-vis US dollar.

Its major customers are jewellery wholesalers of Middle East countries, with whom the group has more than three decades of business relationship. Since majority of the company's activities revolve around import-export, foreign exchange exposure gets naturally hedged. In case of unhedged exposure, the company generally takes forward cover.

The company has also forayed into retailing in India through tie-ups with large retail chains and it is now planning to open a number of its own retail outlets over a span of next three years. The company currently meets the domestic demand through outsourcing of the entire job from third party manufacturers.

Gold, the major raw material, is generally procured on fixed basis or unfixed basis and the cost of the same is pass through. Hence, the company is insulated from the fluctuation in gold prices. It imports majority of its gold requirement from The Bank of Nova Scotia (BNS), Al Marhaba Trading and through few canalizing agencies mainly State Trading Corporation (STC) and Sparkling Stars. Further, the company has been granted the status of a "nominated agency" under the Foreign Trade Policy of GoI. This allows SGJHL to import precious metals (gold) directly and thereby eliminate the costs on intermediaries.

Proposed projects

Identifying the demand for handcrafted gold jewellery, the company is planning to increase its manufacturing capacity through setting up new units (at Domjur & Mondalpara, West Bengal) and expansion in capacity at its existing unit (Manikanchan SEZ). Besides, SGJHL also intends to open 49 retail outlets over the next three years, for retailing of products manufactured in its proposed plants at Domjur & Mondalpara to cash on its strong brand image among the retail customers. The entire project cost (approx Rs.213 crore) is to be met out of equity proceeds (proposed IPO). All the projects, in entirety, are expected to be completed by November, 2010.

Financial Performance

Net sales witnessed a phenomenal growth during the fast few years, at a CARG of 157.5% between FY06 to FY09, with y-o-y growth of 68.5% in FY09. This was on account of company's increasing customer base & reach in the international market and significant increase in gold prices over the said period.

PBILDT grew at a relatively lower CARG of 125.6% over the aforesaid period with a y-o-y increase of 30% in FY09 due to substantial hike in gold procurement price and other manufacturing expenses. Further, higher sales of low margin 'precious & semi precious stones', led to a lower increase in PBILDT level in FY09 vis-à-vis FY08. Consequently, PBILDT margin declined in FY09. However, the profitability margin has generally been low for SGJHL, due to the relatively low value-added nature of jewellery business.

Capital charge increased significantly in FY09 mainly due to higher interest expenses arising out of hardening of interest rates and higher utilisation of bill discounting facility to support incremental business operation.

PAT (after defd. tax) however, witnessed a higher growth (51.9%), despite substantially higher interest expenses, due to significant amount of non-operational income (mainly interest on fixed deposit and foreign exchange gain). Cash generation was at significant level (Rs.134.2 crore during FY09) and there was hardly any long-term debt outstanding. Interest coverage though deteriorated in FY09, was comfortable at 1.98. EPS of SGJHL witnessed a sharp increase over the last two years due to high profit level.

Long term debt equity ratio was almost nil as on the last three account closing dates. Overall gearing ratio was however, deteriorated to 2.21 as on Mar.31, 2009 from 1.41 as on Mar.31, 2008 and was on the higher side because of higher utilisation of bills discounting facility (against which SGJHL maintains a cash FD of around 30%), despite accretion of significant accretion of profit to reserves. RONW, though declined in FY09, remained robust over the last three years.

Current ratio though declined from Mar.31, 2008, was comfortable at 1.37 as on Mar.31, 2009. Although average collection period (including Bills discounted by banks under Sundry debtors) stood at 94 days in FY09, as against 91 days in FY08, the same is in line with credit period offered by SGJHL to its customers.

Industry outlook

FY09 was one of the difficult years for the export oriented industries in general and Gems & Jewellery (G&J) industry in particular. With major economies of the world in recession, the G&J industry witnessed a flat growth of 1.45% in USD terms during

FY09 with exports to the tune of USD 21.12 bn. Exports of Cut & Polished diamonds declined by 8.24% from USD 14.19 bn in FY08 to USD 13.02 bn in FY09. Gold jewellery exports primarily drove the growth in the sector witnessing a remarkable growth of 23.6% from USD 5.55 bn in FY08 to USD 6.86 bn in FY09. India's major export destination in FY 09 was UAE (31%), followed by Hong Kong (25%) and USA (20%).

Exports have been declining month on month since October 2008 and continues even in FY10. Exports of G&J sector during June 09 declined by 10.69% on yoy basis and amounted to USD 1.70 bn. Exports of C&P diamonds declined by 12.79% to USD 1.08 bn during the same period.

According to CARE Research, the sector will under-perform in the short term especially on the exports front. With consumer spending improving in India, local demand for the G&J sector is expected to improve from current quarter with the onset of the festive and marriage season). However, with elevated gold prices CARE Research expects other products in the sector like diamond studded jewellery, silver jewellery, gemstones to witness higher demand. Use of gold content in jewellery will decline. Organised retailing, branding and certification will be the focus of the sector in urban markets.

Financial results

(Rs. crore)

Y.E/As on March 31,	**2007**	**2008**	**2009**
		(Audited)	
Working Results			
Net Sales	824.5	1,276.0	2,150.0
Total operating income	824.6	1,276.0	2,150.0
Total income	827.2	1,283.0	2,218.2
PBILDT	59.8	102.1	133.3
Depreciation	1.3	1.6	1.8
Interest	8.7	19.3	66.2
Profit before tax	52.4	88.4	133.4
PAT– after defd. tax	50.8	87.2	132.5
Gross Cash Accruals (GCA)	51.8	87.6	134.2
Financial Position			
Equity share capital	21.4	106.4	106.4
Tangible networth	105.4	271.5	401.0
Total capital employed	234.9	653.3	1,288.2
Key ratios			
Growth			
Growth in total income (%)	550.63	55.10	72.89
Growth in PAT (after def. tax) (%)	354.34	71.47	51.93

Y.E/As on March 31,	2007	2008	2009
		(Audited)	
Profitability			
PBILDT / Total operating income (%)	7.25	8.00	6.20
PAT (after defd. tax)/Total income (%)	6.15	6.79	5.97
ROCE (%)	43.47	22.86	13.65
RONW (%)	84.25	57.20	42.11
Average cost of borrowing (%)	11.56	6.51	9.27
Solvency			
Long term debt equity ratio	0.01	0.00	0.00
Overall gearing ratio	1.23	1.41	2.21
Interest coverage	6.76	5.22	1.98
Long term debt/ GCA	0.01	0.01	0.00
Liquidity			
Current ratio	1.44	1.51	1.37
Quick ratio	1.28	1.37	1.30
Turnover			
Average collection period (days)	58	91	94
Average creditors period (days)	25	30	22
Average finished goods inventory period (days)	2	7	7
Average inventory period (days)	10	16	13
Earning per share (Rs.)	38.64	41.82	61.78

Adjustments

- *Outstanding bill discounted, shown as contingent liability, has been added to bank borrowings and sundry debtors for the above analysis*
- *Outstanding amount of fully convertible debenture & fully convertible preference share as on the account closing date have been considered as a part of net worth for this analysis as the same were converted into equity in August, 2009.*

Annexure II

Press Release

CARE assigns 'CARE IPO Grade 3' grading to the proposed Initial public offer (IPO) of Shree Ganesh Jewellery House Ltd. (SGJHL).

CARE IPO Grade 3 indicates 'average fundamentals'. CARE's IPO grading assigned to any individual issue represents a relative assessment of the fundamentals of the issuer.

SGJHL proposes an IPO of around 142.7 lakh equity shares of Rs.10 each.

Grading Rationale

The above grading draws strength from rich experience of the promoters with satisfactory track record, established brand name, internationally accepted designs with strong presence in overseas market, strong skilled craftsmen base, strategic location of manufacturing units at Special Economic Zone (enjoying various tax holidays), significant growth in revenue & profit, comfortable profitability & financial position (including high level of return on networth) and high entry barrier in the gold jewellery market. Company's having got the status of a 'nominated agency' by Govt. of India (GoI) to import gold directly and the presence of experienced professionals in the Board of Directors of the company also support the grading. The grading is however, constrained by the company's concentration on single product, concentration of sales in Middle East, high overall gearing ratio, low margin business, risks associated with implementation of proposed projects, dominance of unorganised sector players in domestic jewellery market, seasonality of demand and slow recovery of the economy after the severe slowdown.

Company Profile

SGJHL, incorporated in August 2002, belongs to Shree Ganesh Group of Kolkata, is engaged in trading and manufacturing & export of gold and gemstone & diamond studded jewellery over the last 70 years. It is the largest exporter of the handcrafted gold jewellery from India. The current promoters of the group are Shri Nilesh Parekh and Shri Umesh Parekh, two brothers, having more than two decades of experience in gold jewellery business. SGHL carries out its manufacturing activities at Manikanchan SEZ Kolkata [100% Export Oriented Unit (EOU)], having capacity to process 24,000 kgs of gold per annum. The company markets its jewellery products under the brand name, 'GAJA'.

SGJHL is planning to implement projects comprising setting up of manufacturing capacities at Domjur & Mondalpara (both in West Bengal), expansion of its existing unit (Manikanchan SEZ) and opening of retail outlets. The entire project cost is proposed to be met out of equity proceeds (proposed IPO). All the projects, in entirety, are expected to be completed by November, 2010.

SGJHL earned a total income of Rs.2,218.2 crore in FY09 (up 72.9% from FY08) mainly due to the higher sales quantity on the back of higher demand particularly in H1FY09. PBILDT grew at a lower rate (30.5%) due to substantial hike in gold procurement price, increased sale of low margin precious & semi precious stones and other manufacturing expenses. PAT (after defd. tax) however, witnessed a higher growth (51.9%), despite substantially higher interest expenses, due to significant amount of non-operational income (mainly interest on fixed deposit and foreign exchange gain). RONW, though declined, remained robust over the last three years.

Debt equity ratio as on Mar.31, 2009 was nil, while overall gearing ratio deteriorated mainly due to higher level of working capital borrowings to fund the increased level of operations. Earning per share of SGJHL witnessed a sharp increase over the last two years due to high profitability.

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