



**20<sup>th</sup>**  
**ANNUAL REPORT**  
**2011-12**

## GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear shareholders,

The Ministry of Corporate Affairs ("MCA") vide its circulars dated 21.04.2011 and 29.04.2011 has taken a "Green Initiative in Corporate Governance" thereby allowing companies to serve electronic documents to its shareholders.

Environment conservation and sustainable development are continuously on your Company's radar and therefore your Company supports MCS in this initiative. Accordingly, henceforth, we propose to send documents such as notices of general meeting(s), annual reports and other communications to the shareholders through e-mail. Please note that all such documents shall be kept open for inspection at the registered office of the Company during the office hours.

We solicit your valuable cooperation and support in our endeavor to contribute our bit to the environment. You are requested to please fill the details in the format provided below. Please note that the fields marked '\*' are mandatory to fill.

Registered Folio or DP Id – Client ID \*

Full Name \*

Email ID \*

Contact no. :

Declaration: (Select whichever is applicable) \*

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

In case there is any change in your e-mail ID or any other details, please e-mail us the details at [comsec@nabadajewellery.com](mailto:comsec@nabadajewellery.com) or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.



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## **BOARD OF DIRECTORS**

Chairman – Emeritus

Shri Hanumanth Rai Sanghi

Managing Director -

Shri Sanjay Kumar Sanghi

Director -

Shri Ritesh Kumar Sanghi

Director -

Shri Vinod Agarwal

Director -

Shri Ram Prasad Vempati

Director -

Shri Siddharth Goel

Company Secretary

Mr. Hemraj Baid

## **AUDITORS**

M/s Venugopal & Chenoy  
Chartered Accountants  
Tilak Road, Hyderabad

## **BANKERS**

State Bank of India  
Commercial Branch  
Koti, Hyderabad

## **REGISTERED OFFICE**

"Sadana Building, 1<sup>st</sup> Floor,  
3-6-290/18, Hyderguda  
Hyderabad-500029

## **DEPOSITORY REGISTRAR**

M/s CIL SECURITIES LIMITED

## **& SHARE TRANSFER AGENTS**

208, Raghav Ratna Towers  
Chirag Ali Lane, Abids  
Hyderabad-500001  
Phone: 23202465 Fax 040-23203028  
E-mail: [cilsec@rediffmail.com](mailto:cilsec@rediffmail.com)

## **NOTICE**

NOTICE is hereby given that 20<sup>th</sup> Annual General Meeting of the Members of M/s **NARBADA GEMS & JEWELLERY LIMITED** will be held on Friday the 28<sup>th</sup> day of September 2012, at 01.30 P.M at Rajasthani Graduates Association, "Snatak Bhavan", 5-4-790/1, 1<sup>st</sup> Floor, Abids, Hyderabad, (A.P.) to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012, and Profit and Loss Account for the year ended on that date and the reports of the Director and Auditors thereon.
2. To appoint a Director in place of Shri Vinod Agarwal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Ritesh Kumar Sanghi who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Siddharth Goel, who was appointed as an Additional Director by the Board of Directors of the Company and who holds the office as per Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the Company has, pursuant to the provisions of Section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take such steps and to do all such things and deeds incidental thereto, as may be considered necessary, proper and expedient to give effect to this resolution."

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

**"RESOLVED THAT** in accordance with the provisions of section 269, 198, 309 and other applicable provisions if any, read with Schedule XIII of the Companies Act, 1956 and other provisions thereto, as amended, the Company hereby accords its approval and consent to the re-appointment of Shri Sanjay Kumar Sanghi as Managing Director of the Company with effect from 29<sup>th</sup> April, 2012 for a period of 5 years without any remuneration.

**“RESOLVED FURTHER THAT** the Managing Director shall exercise substantial powers of management as defined under section 316 of the Companies Act, 1956 and shall act under the superintendence of the Board of Directors of the Company

**RESOLVED FURTHER THAT** Shri Sanjay Kumar Sanghi, Managing Director is further authorized to appoint any attorneys under General Power of Attorney or otherwise in ordinary course of business, as may be required from time to time, for and on behalf of the Company for the beneficial interest of the Company and he be further authorized to sign such Power of Attorney document or such other document as may be required on behalf of the Company.

**FURTHER RESOLVED THAT** Board of Directors be and are hereby authorized to do all such acts, deeds, things as may be necessary in this regard”

**Place: Hyderabad**

**Date: 31.08.2012**

**By order of the Board**

**HEMRAJ BAID  
COMPANY SECRETARY**

**NOTES:-**

1. **Any Member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself /herself and the proxy need not be a member of the Company. The instrument appointing the proxy, to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from **22<sup>nd</sup> September, 2012 to 28<sup>th</sup> September, 2012** (both days inclusive) for the purpose of Annual General Meeting.
3. All correspondence and share transfer documents must be addressed to the Share Transfer Agents
4. Member who hold shares in dematerialized form are requested to bring their clients Id and DPID number for easy identification of their attendance at the meeting.
5. Members holding the shares in physical and electronic form are required to inform immediately the changes, if any, in their address of Share Transfer Agents.
6. The Explanatory Statement u/s 173(2) of the Companies Act, 1956 for Item no. 5 and 6 is attached herewith.
7. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.

**8. The details pertaining to Directors liable to retire by rotation and directors proposed to be appointed / reappointed as required to be provided pursuant to the Listing Agreement with the Stock Exchanges are as follows:**

S. No	Particulars	Mr. Ritesh Kumar Sanghi	Mr. Vinod Agarwal	Mr. Siddharth Goel	Mr. Sanjay Kumar Sanghi
1.	Designation	Director	Director	Additional Director	Managing Director
2.	Date of Birth	24.12.1971	02.12.1954	01.03.1985	08.07.1968
3.	Date of Appointment	29.06.2006	14.10.2006	12.05.2012	14.10.2006
4.	Qualifications	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Commerce
5.	Expertise in specific functional area	Rich and varied experience in the field of production, strategy and management. He has an experience of more than 20 years in the field of Jewellery Industry.	Rich and varied experience in strategy and management. A member of AP Chamber of Commerce.	Fairly good experience in strategy and management.	He is a Certified Gemologist and a visionary. He has an experience of more than 25 years in the field of Jewellery Industry. He is also a member of the Governing Board of Directors of Gem and Jewellery Trade Federation.
6.	Directorships held in other public companies as on 31.03.2012	Uday Jewellery Industries Limited Trisa Retail Limited	Kaveri Projects Limited	Uday Jewellery Industries Limited	Uday Jewellery Industries Limited
7.	Number of shares held in the Company	12,84,180	Nil	Nil	12,84,180

**EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 5**

The Board of Directors of the Company appointed Mr. Siddharth Goel as an Additional Director of the Company during the period and his term of office expires on the date of ensuing Annual General Meeting and a notice from a member was received proposing his appointment as a Director of the Company under Section 257 of the Companies Act, 1956. Hence the resolution in Item no. 5 is placed before the members for approval.

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

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

**Item No. 6**

Shri Sanjay Kumar Sanghi was appointed as a Managing Director of the Company for a term of five years. On completion of the said term, it is now proposed to reappoint him as a managing director for a further period of five years w.e.f. 29.04.2012

He is a Commerce graduate and a qualified Gemologist. He is one of the promoters of the Company. No other Director except Shri Sanjay Kumar Sanghi and Shri Ritesh Kumar Sanghi, relative of the appointee, is concerned or interested in the resolution.

The Board recommends for approval of the resolution in Item no. 6.

The note above may be construed as a statement under Section 302 of the Companies Act, 1956. Members are requested to approve the resolution.

**DIRECTORS' REPORT**

To,

The Members

Your Directors have pleasure to present the Twentieth Annual Report of the Company together with the Audited Accounts of Your Company for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

Your Company's performance during the year 2011-2012 is summarized below: **(Rs. in lakhs)**

S.No	Particulars	2011-12	2010-11
1.	Sales	731.86	285.42
2	Other Income	4.10	1.11
3	<b>Total Income (1+2)</b>	<b>735.96</b>	<b>286.53</b>
4	Expenditure	686.78	270.51
5	<b>Profit before Tax</b>	<b>49.01</b>	<b>16.02</b>
6	Tax Expense	3.36	0
7	<b>Profit after Tax</b>	<b>45.65</b>	<b>16.02</b>
8	Earning Per Share	0.85	0.30

**BUSINESS REVIEW**

During the year your Company has achieved a turnover of Rs. 731.86 lakhs as against Rs. 285.42 lakhs in the previous year. This is due to increase in gold prices as well as the demand for the product being dealt with by the Company. As a result of this there has been an increase in the profit of the Company from Rs. 16.02 lakhs to Rs. 45.65 lakhs.

**DIVIDEND:**

Due to inadequate profits and in order to conserve resources for expanding the business, your Directors have opined to not recommend any dividend for the year 2011 -12.

**DIRECTORS**

Shri Ritesh Kumar Sanghi and Shri Vinod Agarwal retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Shri Praveen Kumar resigned from the Board w.e.f 13.08.2012. The Board places on record its appreciation for services rendered by Shri Praveen Kumar during his tenure. Shri Siddharth Goel was appointed as an Additional Director and his term expires at the ensuing Annual general Meeting. The Board recommends his appointment as Director liable to retire by rotation. Shri Sanjay Kumar Sanghi has been re-appointed as Managing Director w.e.f. 29.04.2012 for five years. Their respective profiles are given elsewhere in the report. Your Directors recommend their re-appointment.

**FIXED DEPOSIT**

Your Company has not accepted any fixed deposits from public during the year.

**AUDITORS**

**M/s. Venugopal & Chenoy, Chartered Accountants**, the present statutory auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. The comments made by the Auditors in their report, if any, have been dealt with in the Notes on Accounts and do not require further comments from Board of Directors.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Directors confirm:

- (i) that in the preparation of the Annual Accounts for the year ended on 31<sup>st</sup> March 2012, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the 31<sup>st</sup> March 2012 and of the profit for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year ended on 31<sup>st</sup> March 2012, on going concern basis.

**INDUSTRIAL AND PERSONNEL RELATIONS:**

The relationship between the management and the staff continued to be cordial.

**PARTICULARS OF EMPLOYEES:**

In pursuance of the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the Directors are to report that no employee was in receipt of emoluments as provided in the said Section.

**ADDITIONAL INFORMATION AS REQUIRED U/S 217 (1) (e) OF THE COMPANIES ACT, 1956:**

The statement giving particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is attached to the report.

**LISTING:**

The shares of your company are listed on Madras Stock Exchange Limited, Delhi Stock Exchange Association Limited and the Bombay Stock Exchange. The Company has duly complied with all the applicable provisions of the Listing Agreement.

**SUBSIDIARIES:**

There are no subsidiaries to the Company as on date of the report.

**CODE OF CONDUCT**

The Company has adopted a uniform Code of Conduct for Directors and Senior Management Personnel to ensure ethical standards and further compliance to such standards. The object of the code is to conduct the Company's business ethically with responsibility, integrity, fairness, transparency and honesty.

**INSURANCE**

The properties and assets of your Company are adequately insured.

**CORPORATE GOVERNANCE CODE:**

The Code of Corporate Governance promulgated by Securities & Exchange Board of India is being implemented by your Company on a continuous basis. The Code of Corporate Governance as per Clause 49 of the Listing Agreement is attached herewith. The Compliance Certificate on Corporate Governance received from the Statutory Auditors is also given as an Annexure to this report.

**ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their gratitude for the assistance and co-operation extended by Government Authorities, Bankers and other business associates along with our esteemed Shareholders and employees.

**For and on behalf of the Board  
For NARBADA GEMS AND JEWELLERY LIMITED**

**Place: Hyderabad**

**Date: 31.08.2012**

**Sanjay Kumar Sanghi**

**Managing Director**

**Ritesh Kumar Sanghi**

**Director**

**ANNEXURE - 1****INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS' RULES, 1988**

- a) Energy Conservation Measures taken: **Not Applicable as Company is in the business of Jewellery manufacturing and trading which are more dependent on Human skill than power consumption.**
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : **Nil**
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : **Not Applicable**

**FORM-A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Particulars	2011 -12	2010 -11
<b>A. POWER AND FUEL CONSUMPTION:</b>		
<b>Electricity</b>		
a) Purchased : Units (KWH)	20.604	31.648
Total Amount (Rs.)	125456.00	221951.00
Rate/Unit (Rs.)	6.089	7.013
<b>b) Own Generation</b>		
Through diesel generator: Units (KWH Units per liter of diesel oil Cost per Unit (Rs.)	Nil	Nil
<b>B. CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Electricity consumption	Nil	Nil

**FORM B****DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

- A. RESEARCH AND DEVELOPMENT (R&D) : Not Applicable
- B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION – Not Applicable

**FORM - C****FOREIGN EXCHANGE EARNINGS AND OUTGO****(in Rupees)**

Particulars	2011-12	2010-11
a) Foreign Exchange earned (Recovery of old dues from Sundry Debtors)	Nil	Nil
b) Foreign Exchange used:	Nil	Nil