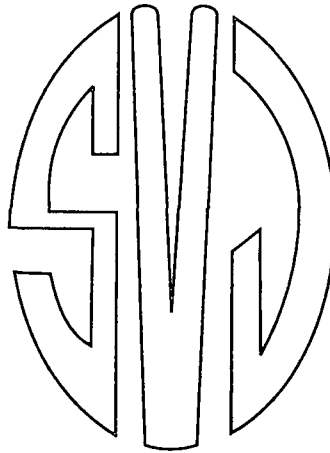


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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



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Shantivijay Jewels Limited

ANNUAL REPORT 1997-98



SHANTIVIJAY JEWELS LIMITED

BOARD OF DIRECTORS

BIMALCHAND GODHA

(Chairman & Managing Director)

JEFFREY K. STERN

VASANTLAL D. MEHTA

ABHAY KUMAR S. KASLIWAL

RAJENDRA J. SHAH

PRADEEP B. GODHA

ANURAG B. GODHA

REGISTERED OFFICE / WORKS

G 37, Gems & Jewellery Complex, Bldg. No. III,
And

Plot No.-62, Near Goods Gate,
SEEPZ, Andheri (E), Mumbai-400 096.

ADMINISTRATIVE OFFICE

L-1, Hotel Oberoi Towers, Nariman Point, Mumbai-400 021.

BANKERS

Canara Bank

Overseas Branch, Nariman Point, Mumbai-400 021.

AUDITORS

B.F. Chordia & Co.

Chartered Accountants

67/1305, Veera Desai Road, Andheri (West), Mumbai-400 058.

REGISTRAR & TRANSFER AGENTS

R & D Consultants Pvt. Ltd.,

610, Dalmal Towers, 211, Nariman Point, Mumbai-400 021.

ADVOCATES & SOLICITORS

Malvi Ranchoddas & Co. (Regd.)

Yusuf Building, 3rd Floor, Flora Fountain, Mumbai.

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of SHANTIVIJAY JEWELS LIMITED will be held at Janmabhoomi Meeting Room, Janmabhoomi Bhavan, 4th floor, Janmabhoomi Marg, Fort, Mumbai 400 001 on Saturday, 12th September, 1998 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors, thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri. Jeffery K. Stern, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri. Pradeep Godha, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT subject to approval of Development Commissioner, SEEPZ and subject to such other approvals, if any, as may be required, the consent of the Company, be and the same is hereby accorded under section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as the "Board") entering into an agreement of collaboration or joint venture with a company of any third party intending to set up a project for the manufacture for export of Gold and/or Platinum Jewellery with or without diamonds, emeralds, rubies and other precious or semi-precious stones at Gem & Jewellery Complex, SEEPZ, Andheri(East) with the obligation of the Company to participate in the subscribed and paid-up equity capital of the said company to the extent not exceeding 60% and with obligation to make available and transfer to such company, the Company's unit on Plot No. 62 at Gem & Jewellery Complex, SEEPZ, Andheri (East), Mumbai 400 096 for such price consideration, and subject to such terms and conditions and, at such time and in such manner, as the Board may deem fit in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and give directions as may be necessary or desirable and to settle all questions or difficulties whatever that may arise for the implementation of the Resolution."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT subject to the provisions of Section 372 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary including that of the Central Government, where required, the Board of Directors of the Company be and is hereby authorised to acquire, from time to time by way of subscription, purchase or otherwise, shares and/or debentures of any body/bodies corporate, incorporated or to be incorporated, whether under the same management or not upto a limit of 60% of the subscribed capital of the Company and its free reserves, notwithstanding that such investment or investments, together with the existing investments of the Company and of its subsidiaries, if any, in all other bodies corporate, may exceed all or any of the limits prescribed by the Government and as may be prescribed hereafter from time to time, under the provisions of Section 372 of the Companies Act, 1956 and provisos thereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as in its absolute discretion, may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to this resolution or otherwise considered by the Directors to be in the best interest of the Company."

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

"RESOLVED THAT subject to all such approvals, as may be necessary, and subject further to regulations/norms prescribed or to be prescribed by the appropriate authorities/bodies for voluntary delisting of shares on the stock exchanges, the Company shall delist its Equity Shares from the Stock Exchange, Ahmedabad and Delhi Stock Exchange Association Limited and the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things including execution of documents as may be necessary for this purpose."

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

"RESOLVED THAT if and when permitted by the law and subject to all applicable provisions of the law and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board"), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board, to purchase such number of equity shares of the Company, as may be thought fit, from the holders of the equity shares of the Company in such proportion and manner as may be permitted by the law, not exceeding 25 % of the present paid-up capital of the Company, from such funds of the Company as are permitted to be used for this purpose or out of the proceeds of any issue made by the Company, on

SHANTIVIJAY JEWELS LIMITED

such terms and subject to such conditions as may be prescribed by the law.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds and things and give such directions as may be necessary or desirable and to settle all questions or difficulties whatsoever that may arise with regard to the said purchase of equity shares of the Company.

RESOLVED FURTHER THAT nothing hereinabove contained shall confer any right on any shareholder to offer or any obligation on the Company or the Board to buy-back any equity shares of the Company."

10. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by inserting the following as new Article 15A after Article 15:

'15A. Notwithstanding anything contained in these Articles, in the event it is permitted by law for the Company to purchase its own shares, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares as it may think necessary subject to such limits, upon such terms and conditions, and subject to such approvals as may be permitted by law.'

Buy Back
of Shares.

NOTES

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A**

PROXY NEED NOT BE A MEMBER OF THE COMPANY.

- (b) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item Nos. 6 to 10 above is annexed hereto.
- (c) The Share Transfer Books and the Register of Members of the Company shall be closed from Tuesday, 8th September, 1998 to Saturday, 12th September, 1998 (both days inclusive). The dividend on shares as recommended by the Directors, if declared at the Meeting, will be payable on or after 1st October, 1998 to those members whose names appear on the Register of Members on Saturday, 12th September, 1998.
- (d) Members are requested to notify immediately any change in their address to the Share Transfer Agents of the Company, namely, R & D Consultants Private Limited at 610, Dalamal Tower, 211, Nariman Point, Mumbai-400 021.
- (e) All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of the Annual General Meeting.
- (f) Members desiring any information as regards the Accounts are requested to write to the Company at least seven days in advance of the date of Annual General Meeting so as to enable the Management to keep the information ready.
- (g) Members/Proxies should bring the admission slip duly filled in for attending the meeting.

Registered Office :
G-37, Gem & Jewellery Complex,
Building No.III, SEEPZ,
Andheri(East),
Mumbai 400 096.
Dated 29th July, 1998

BY ORDER OF THE BOARD

**BIMALCHAND GODHA
CHAIRMAN**

ANNEXURE TO NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

Items Nos. 6 and 7

With a view to augment the Company's capacity for the manufacture of studded gold jewellery, the Company implemented the project of setting up an additional unit at Plot No. 62, SEEPZ, MIDC Industrial Area, Andheri(East), Mumbai which commenced its manufacturing activity in July, 1997. However, under the changed market conditions and with a view to better utilise the finance, management and personnel resources at the disposal of the Company as a whole, the Board of Directors has been considering a proposal of entering into an agreement of collaboration or joint venture with a company of reputable party intending to set up a project for the manufacture for export of Gold and/or Platinum Jewellery with or without diamonds, emeralds, rubies and other precious or semi-precious stones at Gem & Jewellery Complex, SEEPZ, Andheri(East) and for that purpose to participate in the equity capital of the such company to the extent not exceeding 60% and to make available and transfer the Company's said unit on Plot No. 62, SEEPZ, MIDC Industrial Area, Andheri(East), Mumbai. Negotiations for that purpose with reputable parties are pending. The Company may as part of such agreement for collaboration participate in equity capital of such company either in cash wholly or partly or towards consideration wholly or partly for

the transfer of the Company's said unit on Plot No. 62, SEEPZ as may finally agreed with the said party.

Section 293(1)(a) may not be applicable to the agreement proposed to be entered into by the Company. The acquisition of shares as a result of participation in the equity capital of such company setting up the project may exceed the limits prescribed under Section 372 of the Companies Act, 1956, in which case approval of the Company and Central Government may have to be obtained. In order to avoid any doubt and as a matter of business expediency, the consent of the Company is sought in terms of the resolutions set out in Item Nos. 6 and 7 of the accompanying Notice.

Your Directors commend the said resolutions for acceptance by the members.

None of the Directors is, in any way, concerned or interested in either of the said two resolutions.

Item No. 8

The Equity Shares of the Company are listed on the Stock Exchanges at Mumbai, Ahmedabad and Delhi. It has been observed that in the Stock Exchanges at Ahmedabad and Delhi, the shares of the Company are hardly being traded. Hence, it is proposed to delist shares of the Company from these stock exchanges subject to applicable law, regulations and/or norms prescribed by appropriate authorities/bodies for voluntary delisting of shares. The shares of the Company will continue to be listed on the premiere stock exchange in the

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country i.e. the Stock Exchange, Mumbai which is also regional stock exchange for the Company.

Your Directors commend the resolution proposed at Item No. 8 of the accompanying Notice for acceptance by the members.

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

Item No. 9

The Companies Act, 1956 presently prohibits a company from purchasing its own shares. However, it is anticipated that the law may in near future permit a company to buy back its own shares.

Subject to the buy-back of shares being legally permissible, it is proposed to enable the Company to buy back its shares, not exceeding 25% of the paid-up capital of the Company from the members of the Company either from the open market or from the holders of odd lots or as permitted by the law. The buy-back of shares would be at the rate and from the funds permitted by the law as set out in the Resolution.

The Resolution, if approved, will be operative for and given effect to within a period of 15 months from the date of passing the Resolution or such other time limit laid by the law.

Your Directors accordingly commend the resolution at Item No. 9 of the accompanying Notice for your approval.

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

Item No. 10

Article 15 of the Articles of Association prohibits the Company from buying its own shares and securities. It is proposed to introduce a new Article 15A in the Articles of Association of the Company as set out in the Resolution in Item No. 10 to enable the Company to purchase any of its ordinary shares or securities as proposed in the Resolution in the event it is permissible by the law.

Your Directors commend the resolution for acceptance by the members.

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

Registered Office :
G-37, Gem & Jewellery Complex,
Building No.III, SEEPZ,
Andheri(East), Mumbai 400 096.
Dated 29th July, 1998

BY ORDER OF THE BOARD

BIMALCHAND GODHA
CHAIRMAN

DIRECTORS' REPORT

TO THE MEMBERS OF
SHANTIVIJAY JEWELS LIMITED

The Directors are pleased to present their 25th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1998.

1. FINANCIAL RESULTS (Rs. in Lakhs)

	1997-98	1996-97
Profit before depreciation and interest	239.80	201.26
Depreciation	31.07	12.98
Interest	43.67	28.46
Profit before tax	165.06	159.82
Provision for taxation	nil	0.15
Income Tax(Prior Year)	nil	2.80
Profit after tax	165.06	156.87
Balance brought forward	38.42	37.05
	203.48	193.92
Appropriations:		
Transfer to General Reserve	80.00	89.46
Proposed Dividend	60.00	60.04
Tax on distributed profits	6.00	6.00
Profit & Loss A/c. balance carried to Balance Sheet	57.48	38.42

2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.2/- per share (20%)(Previous Year: 20%) for the year ended 31st March, 1998. Dividend, if declared at the ensuing Annual General Meeting will absorb Rs.60.00 lakhs (Previous Year: Rs.60.04 lakhs).

3. OPERATIONS

During the year under review, the Company has achieved Sales of Rs.5088.06 lakhs as against Rs.2232.91 lakhs in the previous year, registering an increase of over 127 percent.

Net Profit after tax has been Rs.165.06 lakhs (Previous Year:Rs.156.87 lakhs). The Company has successfully started commercial production of Invisible Settings and Platinum Jewellery. Net Profit has been lower inspite of increased sales since the emeralds which the Company had imported earlier have been exported and low profit was made on emeralds consignment order. However, the export realisation of Rs.2379.50 lakhs is still due in respect of the same and the corresponding creditors are outstanding to the extent of Rs.1916.51 lakhs. Efforts are being made for the realisation of outstanding amount.

During the year under review, the Company also continued to participate in various exhibitions abroad in order increase exports.

4. SUBSIDIARY COMPANY IN MAURITIUS

The Company has completed all the formalities for establishing wholly owned subsidiary company, namely, Shantivijay International Limited in May, 1998 and the said company has already started its operations in Mauritius and Dubai.

5. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri.Jeffery K. Stern and Shri.Pradeep Godha retire by rotation and, being eligible, offer themselves for reappointment.

6. PARTICULARS OF EMPLOYEES

Particulars required under Section 217(2A) of the Companies Act, 1956, as amended, read with the rules made thereunder are given in Annexure I forming part of this Report. However, pursuant to Section 219(1)(b)(iv) of the said Act, the same is not enclosed with this Annual Report. Any shareholder interested in obtaining such particulars may write to the Company at its Registered Office.

7. DISCLOSURE OF PARTICULARS

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure II forming part of this Report.