

SCHEDULES TO THE ACCOUNTS**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE I****SHARE CAPITAL****Authorised:**

16,500,000(13,500,000) Equity Shares of Rs.10/- each
 Nil (3,000,000) 15% Redeemable Non-Cummulative
 Non-Voting Preference shares of Rs.10/- each

As at 31/03/2004 (Rs.)	As at 31/03/2003 (Rs.)
165,000,000	135,000,000
-	30,000,000
165,000,000	165,000,000

Issued and paid-up Capital :

Equity Share Capital
 13,500,000(13,500,000) Equity shares of Rs.10/- each fully paid-up

135,000,000	135,000,000
135,000,000	135,000,000

SCHEDULE II**RESERVES AND SURPLUS**

Capital Reserve
 Capital Redemption Reserve
 Add: Transfer from Redemption Reserve for Preference Shares

32,961	32,961
30,000,000	-
-	30,000,000
30,000,000	30,000,000

Redemption Reserve for Preference Shares
 As per last Balance Sheet
 Less : Transfer to Capital Redemption Reserve

-	30,000,000
-	(30,000,000)
-	-

Share Premium Account
 General Reserve :
 As per last Balance Sheet
 Add: Transferred from the Profit and Loss Account

138,500,000	138,500,000
429,914,150	409,914,150
50,000,000	20,000,000

Surplus in Profit and Loss Account

479,914,150	429,914,150
19,760,496	2,916,166
668,207,607	601,363,277

SCHEDULE III**SECURED LOANS**

From Banks
 [Amount repayable within one year Rs.150,078/- (P.Y. Rs.235,167/-)]

151,498,516	174,673,019
151,498,516	174,673,019

(Against hypothecation of Finished Goods, Stock of Raw Materials, Stock in Process, Fixed Assets, Fixed Deposits and Personal guarantees by the Managing Director and Joint Managing Director).

SCHEDULE IV**UNSECURED LOANS**

Fixed Deposits from Public
 [Amount repayable within one year Rs.7,003,000/- (P.Y. Rs.7,624,000/-)]
 Interest accrued on Fixed deposits from Public

13,194,000	17,502,000
791,115	1,116,525
13,985,115	18,618,525

SCHEDULE V
FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01.04.03	Additions during the year	Deductions during the year	As on 31.03.04	As on 01.04.03	For the year	Adjustment	As on 31.03.04	As on 31.03.04	As on 01.04.03
1	Land (Lease hold)	-	12,313,227	-	12,313,227	-	-	-	-	12,313,227	-
2	Office Premises	3,630,000	-	-	3,630,000	1,592,423	101,879	-	1,694,302	1,935,698	2,037,577
3	Residential Flat	1,828,620	-	-	1,828,620	455,907	68,636	-	524,543	1,304,077	1,372,713
4	Factory Building	1,005,826	-	-	1,005,826	612,409	39,342	-	651,751	354,075	393,417
5	Plant & Machinery	24,307,695	2,947,660	-	27,255,355	11,593,014	1,912,325	-	13,505,339	13,750,016	12,714,681
6	Furniture, Fixtures & Fittings	9,441,658	2,844	-	9,444,502	7,726,946	313,207	-	8,040,153	1,404,349	1,714,712
7	Equipments	1,218,324	13,652	-	1,231,976	548,355	101,464	-	649,819	582,157	669,969
8	Vehicles	4,106,599	1,467,391	1,220,026	4,353,964	2,133,043	632,921	707,909	2,058,055	2,295,909	1,973,556
9	Computer System	7,394,288	878,994	-	8,273,282	5,448,056	1,439,931	-	6,887,987	1,385,295	1,946,232
	Current Year	52,933,010	17,623,768	1,220,026	69,336,752	30,110,153	4,609,705	707,909	34,011,949	35,324,803	22,822,857
	Previous Year	50,306,423	5,086,354	2,459,767	52,933,010	27,308,514	4,446,375	1,644,736	30,110,153	22,822,857	

[Vehicle include Motor Cars taken on finance lease having original cost of Rs.842,387/- (P.Y. Rs.842,387/-) on which depreciation of Rs.385,705/- (P.Y. Rs.226,166/-) is provided till date.]

**SCHEDULE VI
INVESTMENTS**
Non Trade (At cost)
QUOTED
INVESTMENT IN GOVERNMENT SECURITIES

6.5%, 5,900 UTI Bonds of Rs.100/- each fully paid up

590,000

590,000

UNQUOTED

3,000,000 Equity Shares of Rs.10/- each fully paid up in S B & T Finance Private Limited.

(formerly known as Nigam Finvest Ltd.)

10,000,000

10,000,000

Trade (At cost, unquoted)
INVESTMENTS IN WHOLLY OWNED SUBSIDIARY

1,468,427 Equity Shares of US\$1/- each

fully paid up in S B & T Holding Limited (Mauritius)

67,517,675

67,517,675

78,107,675

78,107,675

**SCHEDULE VII
INVENTORIES**

(As valued and certified by the Management)

Stores, Spares, Rubber Moulds and Alloys

759,056

737,007

Stock in Trade (At cost, unless otherwise stated)

Raw Materials

411,842,428

440,512,110

Work-in-Process

14,404,448

-

Finished Goods

4,398,191

1,970,932

Trade Samples

10,154,930

9,649,388

441,559,053

452,869,437

Goods on Consignment

2,471,637

-

Goods-in-transit

729,849

-

444,760,539

452,869,437

	As at 31/03/2004 (Rs.)	As at 31/03/2003 (Rs.)
SCHEDULE VIII		
SUNDRY DEBTORS		
(Unsecured, considered good)		
Debts outstanding for a period exceeding 6 months	35,335,359	39,940,883
Other Debts		
Others (other than Subsidiaries)	158,543,560	136,873,447
Subsidiaries	56,489,249	72,044,534
	250,368,168	248,858,864
SCHEDULE IX		
CASH AND BANK BALANCES		
Cash on Hand	1,075,214	282,001
Balances with Scheduled Banks :		
in Current Accounts	3,941,258	54,563,366
in Fixed Deposits towards Margin Money	119,790,000	120,264,067
	124,806,472	175,109,434
SCHEDULE X		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	67,896,872	27,125,628
Advances for Capital Goods	2,600,000	154,860
Deposits	25,140,507	5,434,022
Income Tax	7,129,597	4,615,104
Share application money	41,866,353	-
Loans to Subsidiary	10,567,700	-
[Maximum balance outstanding during the year Rs.10,567,700/- (P.Y. Nil)]		
	155,201,029	37,329,614
SCHEDULE XI		
CURRENT LIABILITIES		
Current Liabilities		
Sundry Creditors :		
For Goods		
- Others (other than subsidiaries)	89,941,938	67,219,457
- Subsidiaries	817,081	373,018
For Capital Goods	4,405,177	2,717,056
For Expenses	11,114,200	10,436,293
For Unclaimed Dividend	765,536	658,284
Advance received from customers	12,767	15,058
	107,056,699	81,419,165
SCHEDULE XII		
PROVISIONS		
Provision for Tax	915,496	905,496
[includes provision for wealth tax Rs.10,000/- (P.Y. Nil)]		
Provision for Final Dividend	17,550,000	13,500,000
Corporate Dividend Tax	2,248,594	1,729,688
Provision for Gratuity	3,398,281	2,965,956
Provision for Leave Salary/Encashment	425,024	404,885
	24,537,395	19,506,025

	As at 31/03/2004 (Rs.)	As at 31/03/2003 (Rs.)
SCHEDULE XIII		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenditure		
Opening Balance	1,234,321	2,327,721
Less: written off for the year	1,088,914	1,093,400
Closing Balance	145,407	1,234,321
Business Setup(Website Expenditure)		
Opening Balance	2,149,396	2,456,452
Less: written off for the year	307,056	307,056
Closing Balance	1,842,340	2,149,396
	1,987,747	3,383,717
SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT		
	2003-04 (Rs.)	2002-03 (Rs.)
SCHEDULE XIV		
MATERIAL COSTS AND INVENTORY ADJUSTMENT		
Raw Materials :		
Opening Stock	450,161,497	370,172,497
Add : Purchases	971,510,373	947,690,315
Less: Amount Written down	(3,956,043)	(12,090,750)
Total (A)	1,417,715,827	1,305,772,062
Less: Closing Stock		
Raw Materials	412,572,277	440,512,109
Trade Samples	10,154,930	9,649,388
Total (B)	422,727,207	450,161,497
Consumption of Raw Material Total (A - B)	994,988,620	855,610,565
Work-in-Process :		
Opening Stock	-	-
Less : Closing Stock	14,404,448	-
(Increase) / Decrease in Stock	(14,404,448)	-
Finished Goods :		
Opening Stock	1,970,932	2,009,691
Less : Closing Stock	6,869,828	1,970,932
(Increase) / Decrease in Stock	(4,898,896)	38,759
Total	975,685,276	855,649,324
SCHEDULE XV		
PERSONNEL COSTS		
Payment and Provision for Salaries, Wages, Bonus and Ex-Gratia	32,066,790	31,503,741
Contribution to Provident Fund, Employees State Insurance	3,287,766	3,137,187
and Other Funds	792,903	675,477
Provision for Gratuity	1,330,425	1,825,586
Welfare Expenses	37,477,884	37,141,991

	2003-04 (Rs.)	2002-03 (Rs.)
SCHEDULE XVI		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Stores, Spares and Rubber Moulds :		
Opening Stock	737,007	300,058
Add : Purchases	11,369,856	9,385,413
Less: Closing Stock	759,056	737,007
Consumption	11,347,807	8,948,464
Director's Remuneration	5,001,491	3,960,480
Director's Sitting Fees	60,000	60,000
Security Expenses	499,291	581,311
Auditor's Remuneration	566,000	52,500
Factory Rent	787,581	803,421
Freight and Forwarding Expenses	3,324,322	2,350,621
Insurance	1,052,777	919,032
Legal and Professional Fees	4,196,225	4,514,287
Legal Charges	515	122,360
Contract Labour Charges	6,852,679	3,372,476
Lease Rent	554,540	275,074
Marketing and Sales Promotion Expenses	3,026,916	3,223,494
Miscellaneous Expenditure Written Off	1,395,970	1,400,456
Miscellaneous Expenses	1,097,501	1,987,110
Postage and Communication Expenses	792,994	886,351
Power and Fuel Expenses	4,882,472	4,531,081
Rates, Taxes and License Fees	372,307	879,514
Repairs and Maintenance, Service & AMC Charges		
Repairs to Fixed Assets:		
Building	135,000	-
Plant and Machinery and Equipments	161,976	383,330
Computers	2,006	8,010
Others/AMC Charges	304,067	199,147
Other Maintenance and Service Charges	731,987	1,747,081
Travelling and Conveyance	4,187,930	6,121,658
Vehicle Expenses	606,169	555,456
Exchange Loss (net)	3,577,559	780,289
	55,518,082	48,663,001
SCHEDULE XVII		
INTEREST AND FINANCIAL CHARGES		
Interest (Net)	317,440	29,260,938
Bank Charges and Other Financial Charges	6,816,787	4,520,751
	7,134,227	33,781,689
SCHEDULE XVIII		
OTHER INCOME		
Other Interest Income [T.D.S. Rs.1,885/- (P.Y. Rs.1,931/-)]	284,427	10,771
Dividend Income	100,937	-
Profit on sale of Other Investments	16,052	-
Profit on sale of Fixed Assets	-	622,219
Miscellaneous Income	80,000	150,087
	481,416	783,077

SCHEDULE – XIX :
ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS:
A. SIGNIFICANT ACCOUNTING POLICIES:
1) SYSTEM OF ACCOUNTING:

The Financial Statements are prepared under Historical Cost convention, in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and the provisions of the Companies Act, 1956 except for income from Loans & Advances in the nature of loan.

2) FIXED ASSETS & CAPITAL WORK IN PROCESS:

Fixed Assets are stated at cost of acquisition or construction inclusive of freight, duties, taxes, attributable financial cost and incidental expenses, less Accumulated Depreciation and Amortisation. Direct cost are capitalised until the assets are ready for use.

Capital Work-in-process include cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and cost of assets not put to use before balance sheet date.

Fixed Assets acquired on finance leases are capitalised at the fair value arrived at by computing the present value of minimum lease payments, based on interest rate implicit in the lease agreement.

3) INVESTMENT:

Long term Investments are stated at cost less permanent diminution in the value of investment, if any.

The Company has set up a wholly owned subsidiary called S B & T Holding Limited in Mauritius with the object to foray into retail sale of jewellery. In the current year Company has invested/advanced US \$1,159,228 in S B & T Holding Limited for setting up S B & T (UK) Limited a 60:40 Joint Venture with Gerald Ratner and Gary O'Brien.

4) DEPRECIATION:

a) Depreciation on Fixed Assets is being provided on Written Down Value Method as specified in Schedule XIV to The Companies Act, 1956.

b) Depreciation in respect of addition to fixed assets is provided on prorata basis from the year in which such assets are acquired/installed/started commercial production.

c) Depreciation on the amount capitalised during the year on account of Foreign Exchange Fluctuation is provided prospectively over the residual life of the respective assets.

5) VALUATION OF INVENTORIES:

a) Raw Materials are being valued at net realisable price or cost price whichever is less.

b) Work-in-process and Finished stocks are being valued at raw material cost plus labour cost and direct expenses relating to production. Cost also includes applicable overheads.

c) Stores, Spares and Consumables are being valued at cost.

d) Master Pieces are being valued at Estimated Market Price, where cost could not be determined.

e) Trade samples are being valued at cost.

6) FOREIGN CURRENCY TRANSACTION:

a) Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of occurrence.

b) Foreign currency assets and liabilities as on the balance sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising therefrom, is adjusted to the carrying amount of the respective fixed assets or charged to the Profit & Loss Account, as the case may be.

c) In case of transaction covered by forward contracts, the difference between the contract rate and exchange rate prevailing on the date of transaction is charged to the Profit & Loss Account or adjusted to carrying amount of the respective fixed assets, as the case may be.

7) RETIREMENT BENEFIT:

Company provides for costs relating to Gratuity, Leave Encashment and other retirement benefits are provided on the basis of actuarial valuation in Profit and Loss Account.

8) MISCELLANEOUS EXPENDITURE:

Miscellaneous expenditure such as preliminary expenses, share issue expenses and website expenses are amortised over a period of ten years.

9) INCOME FROM INVESTMENTS:

Incomes from investments are being accounted on Accrual and/or cash basis based on nature of investment.

10) LEASES:

- a) Finance leases payments are apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charges are recognised as an expense in the Profit & Loss account.
- b) Operating lease payments are recognised in the Profit & Loss account on a straight line basis over the lease term.

11) CONTINGENT LIABILITIES are disclosed by way of notes to the Accounts.**12) TAXATION:**

Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being differences between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognised unless there is 'virtual certainty' that future taxable income will be available against which such deferred tax assets will be realised.

13) SALES:

Sales are accounted on dispatches of goods at CIF value.

B. SHARE CAPITAL:

Share Capital includes:

- 1) 1,800,000 equity shares of Rs.10/- each fully paid up issued as Bonus Equity Shares by capitalisation of the General Reserve;
- 2) 3,550,000 equity shares of Rs.10/- each fully paid up issued as Bonus Equity Shares by capitalisation of the Share Premium; and
- 3) 5,200,000 equity shares of Rs.10/- each fully paid issued on preferential basis during the year 2000-01 at premium of Rs.20/- per share.

C. Accounting policies not specifically referred to otherwise are consistent and in consonance with Generally Accepted Accounting Principles followed by the Company.**D. NOTES FORMING PARTS OF ACCOUNTS:**

- 1) In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate.
- 2) Figures of the previous year have been regrouped, rearranged and recast and shown to the nearest rupee to make them comparable with figures of the previous year.
- 3) Contingent Liabilities not provided for includes Documentary Bills submitted to Banks for discounting/advances amounting to Rs.186,327,345/- (P.Y. Rs.192,764,224/-).
- 4) Estimated amount of contract remaining to be executed on capital account and not provided for Rs.18,214,381/-
- 5) Customs authorities has raised a demand of Rs.3,217,780/- on the Company against which company has paid a deposit Rs.500,000/- under protest and given a Bank Guarantee of Rs.500,000/-. The Honourable West Regional Bench at Mumbai of CEGAT has ruled in favour of the Company dismissing Customs demand, however Custom authorities has preferred an appeal against the said order in Supreme Court.
- 6) AUDITORS REMUNERATION (excluding service tax):

	2003-04	2002-03
Audit Fees	556,000	40,000
Tax Audit	10,000	10,000
Total (Rs.)	<u>566,000</u>	<u>50,000</u>

- 7) Income Tax Assessment of the Company has been completed upto Assessment Year 2001-2002 i.e. Accounting Year ended 31st March, 2001 and Sales Tax Assessment of the Company has been completed upto Financial Year ended 31st March, 2002.
- 8) Assessed dues of for the Assessment Year 1995-96 have been paid under protest and the matter is under appeal. For the Assessment Year 1997-98 company has received demand notice for Rs.38.64 lacs, which company has disputed and the matter is in appeal. For the Assessment Year 2001-02 Company has received a demand notice for Rs.330.41 lacs which company has disputed and the matter is in appeal.
- 9) Inventory of Raw Materials consist of some slow moving and non-moving items. Management has decided to write off Rs.3,956,043/- for the same in the current year.
- 10) Loans and Advances include loans from relatives of Directors as Car Deposit Rs.131,750/- (P.Y. Rs.244,750/-)
- 11) **DEFERRED TAX ASSET/(LIABILITY) AS AT YEAR END IN RESPECT OF TIMING DIFFERENCES ON ACCOUNT OF THE FOLLOWING :**

		(Rs. in Lacs)	
		Deferred tax asset/(liability) as at 31/03/2004	31/03/2003
Deferred Tax Liabilities:			
		16.59	16.83
	(A)	16.59	16.83
Deferred Tax assets:			
		17.42	14.68
	(B)	17.42	14.68
Deferred Tax Assets/(Liability) (net)	(A-B)	0.83	(2.15)

12) **DIVIDEND**

The Directors have recommended full & final dividend @ 13% on the 13,500,000 Equity Shares aggregating to Rs.17,550,000/- for the Financial Year 2003-2004.

13) **LEASES**

Assets acquired on finance lease has been accounted as per Accounting Standard 19 issued by the Institute of Chartered Accountants of India. Minimum lease payments under this lease as at 31st March, 2004 are as below:

	2003-2004	2002-2003
(i) Minimum Lease, rentals Payments		
Not Later than one year	161,631	275,556
Later than one year and not later than five years	33,440	195,071
Later than five years	-	-
Total Minimum Lease, rentals Payments	195,071	470,627
(ii) Present value of Minimum Lease, rentals Payment		
Not Later than one year	150,078	235,167
Later than one year and not later than five years	32,427	182,505
Later than five years	-	-
Total Present value of Minimum Lease, rentals Payments	182,505	417,672
(iii) Reconciliation of Minimum Lease, rentals payment & present value		
Minimum Lease, rentals payable as per above (i)	195,071	470,627
Less : Finance charges to be recognized in subsequent year	12,566	52,955
Present value of Minimum Lease, rentals Payments as per above (ii)	182,505	417,672

14) RELATED PARTY DISCLOSURES:

1. List of Related Parties with whom transaction have taken place during the year:

a) Key Management Personnel:	b) Associates:
Surendra Kumar Sethi - Chairman and Joint Managing Director	S B & T Finance Pvt. Ltd.
Varij Sethi - Managing Director	Superior Jewelry Manufacturing Ltd.
Vivek Tharaney - Whole Time Director (Production)	
c) Directors:	d) Subsidiaries :
Virendra Kumar Sethi	Soft Touch Jewellers LLC
Nalin Kumar Sethi	S B & T Holding Limited
Sanjiv Chainani	S B & T (UK) Limited
	e) Promoter :
	S B & T Gem Imports Inc.

2. Transaction during the year with related parties:

a) Remuneration to Key Management Personnel				
Refer D. 17 of Accounting Policies and notes forming part of the accounts.				
b) Dividend paid to Shareholders (Rs. in Lacs):			2003-04	2002-03
Key Management Personnel			19.69	13.17
Directors			13.61	6.05
Relatives of Director			8.55	19.14
Promoters (S B & T Gem Imports Inc.)			4.50	3.00
			2003-04	2002-03
c) Sales and Purchases (Rs. in Lacs):	Sales	Purchases	Sales	Purchases
Promoters (S B & T Gem Imports Inc.)	7.08	18.05	4,990.52	286.07
Subsidiaries	1,652.38	112.79	652.25	150.17
d) Unsecured Loans taken & repaid (Rs. in Lacs):			2003-04	2002-03
Key Management Personnel			-	52.98
e) Loans given & received back (Rs. in Lacs):			2003-04	2002-03
Associates			1.29	1.29
Subsidiaries(S B & T Holding Limited) - Loan			105.68	-
- Share Application Money			418.66	-
f) Loans written off (Rs. in Lacs):			2003-04	2002-03
Associates			0.51	-
g) Preference Share Capital Repaid (Rs. in Lacs):			2003-04	2002-03
Directors			-	45
Associates			-	200
			As at	As at
h) Credit balances outstanding (Rs. in Lacs):			2003-04	2002-03
Promoters (S B & T Gem Imports Inc.) (For Goods)			110.61	198.02
Subsidiaries (For Goods)			8.17	3.73
			As at	As at
i) Debit balances outstanding (Rs. in Lacs):			2003-04	2002-03
Associates			-	1.29
Relatives of Director			1.32	2.45
Promoters (S B & T Gem Imports Inc.) (For Goods)			(0.05)	1,009.31
Subsidiaries (For Goods)			564.89	720.45

15) Interest paid is net of interest received/accrued but not due Rs.11,021,255/- (P.Y. Rs.8,262,191/-) on margin money kept with banks. Tax deducted at source Rs.2,264,493/-(P.Y. Rs.1,736,597/-)

16) The Company does not owe any amount to small-scale industrial undertaking as on year end (P.Y. Nil).

17) **MANAGERIAL REMUNERATION :**

A) During the year under review, the Managing Director, Joint Managing Director and whole time Director have been paid remuneration as under:

	(Rs. In Lacs)	
	2003-04	2002-03
i. Salary	40.85	39.29
ii. Commission	9.16	-
iii. Sitting Fees	0.60	0.60
iv. Contribution to Provident Fund	0.49	0.32
v. Provision for Gratuity	0.85	5.38
	51.95	45.59

Remuneration includes bonus, but excludes Company's Contribution to P.F. Rs.48,743/- (P.Y. Rs.31,680/-), Contribution to Gratuity Rs.84,595/- (P.Y. Rs.538,299/-) which is included in Personnel costs.

B) Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

	(Rs. in Lacs)	
	2003-04	2002-03
Profit as per Profit & Loss A/c	863.55	353.03
Add: Director's Remuneration	51.95	45.59
Excess of sale price of Fixed Assets as per proviso to Section 350	-	6.22
Depreciation as per Books	46.10	44.46
Loss of Capital Nature	0.62	210.00
	962.22	659.30
Less: Depreciation as per Section 350 of the Companies Act, 1956	46.10	44.46
Profit on sale of Fixed Asset	-	6.22
	46.10	50.68
Profit available for Remuneration	916.12	608.62
Maximum Remuneration Payable Under Section 198 of the Companies Act.	100.77	66.32
Actual Remuneration Paid	41.45	39.89
Commission payable @ 1% of profit	9.16	-

18) **SEGMENT REPORTING (GEOGRAPHICAL):**

Particulars	(Rs. in Lacs)	
	2003-04	2002-03
Net Sales / Income from Operation	11,806.05	10,613.31
Sales to USA	9,203.79	9,285.65
Sales to Countries other than USA	2,602.26	1,327.66

The Fixed Assets, Other Assets & Expenditure used for the business, or liability committed for, are not identifiable to one particular segment as these are used interchangeably between segments. Hence, the relevant data on segment capital employed & expenses have not been quantified.

19) EARNING PER SHARE (EPS):

(Rs. in Lacs)

		2003-04	2002-03
(i) Profit after tax and exceptional and extra ordinary item		866.43	346.08
Less : Preference Dividend including tax thereon		-	22.19
Profit attributable to Ordinary Shareholders		866.43	323.89
(ii) Weighted average No. of Ordinary shares for Basic/Diluted EPS	Nos.	13,500,000	13,500,000
(iii) Nominal value of Ordinary Shares	Rs.	10	10
(iv) Basic/Diluted Earnings per Ordinary Share	Rs.	6.42	2.40

20) Schedule of information and particulars as required by the paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 as certified by the Directors and annexed to the Profit and Loss Account for the year ended 31st March, 2004 (Figures in the brackets indicate previous year figures)

1. LICENSED AND INSTALLED CAPACITY AND ACTUAL PRODUCTION (AS CERTIFIED BY THE MANAGEMENT)

Class of Goods manufactures	Licensed Capacity	Installed Capacity	Actual Production
Gold, Diamonds and Colour Stones Jewellery	Not Applicable	Not yet ascertained	119,266 Pcs. (105,449)

2. QUANTITATIVE STATEMENT OF OPENING STOCK, PURCHASES, CONSUMPTION, SALES & CLOSING STOCK.

A. RAW MATERIAL CONSUMED :

Description of goods	Opening stock		Purchases		Consumption		Closing Stock	
	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)	Qty.	Value (Rs.)
	Carat		Carat		Carat		Carat	
a. Diamonds	45,231.64	355,141,029	78,176.38	702,933,142	88,717.09	723,933,471	34,690.93	334,140,700
	(37,527.62)	(266,379,795)	(76,489.22)	(735,705,876)	(68,785.20)	(646,944,642)	(45,231.64)	(355,141,029)
b. Colour & Semi Precious stones	173,475.28	84,001,199	67,073.74	49,390,560	58,481.08	55,041,859	182,067.94	78,349,900
	(192,542.98)	(80,889,880)	(33,234.05)	(27,156,871)	(52,301.75)	(24,045,552)	(173,475.28)	(84,001,199)
	Gms.		Gms.		Gms.		Gms.	
c. Gold	23,692.000	13,570,995	368,192.082	208,388,123	355,109.982	199,223,587	36,774.100	22,735,531
	(25,113.180)	(12,689,108)	(351,576.340)	(178,902,447)	(352,997.520)	(178,020,560)	(23,692.000)	(13,570,995)
d. Platinum	1,547.590	1,849,698	9,094.470	10,199,904	8,759.570	9,481,427	1,882.490	2,568,175
	(3,058.070)	(2,733,676)	(9,596.130)	(5,753,136)	(11,106.610)	(6,637,114)	(1,547.590)	(1,849,698)
e. Silver	888.320	10,870	10,728.000	93,102	10,865.930	95,682	745.390	8,290
	-	-	(975.770)	(12,326)	(92.450)	(1,456)	(883.320)	(10,870)
(a+b+c+d+e)		454,573,791		971,004,831		987,776,026		437,802,596
		(362,692,459)		(947,530,656)		(855,649,324)		(454,573,791)
f. Trade Sample & Master Pcs.								
Gold & Diamonds	2,965 Pcs.	9,649,388	1,300 Pcs.	505,542	-	-	4,265 Pcs.	10,154,930
	(2,898 Pcs.)	(9,489,729)	(67 Pcs.)	(159,659)	(-)	(-)	(2,965 Pcs.)	(9,649,388)
(a+b+c+d+e+f)		464,223,179		971,510,373		987,776,026		447,957,526
		(372,182,188)		(947,690,315)		(855,649,324)		(464,223,179)
Less:								
g. Stock Written off	52,495.45cts	12,090,750			52,495.45cts	12,090,750	10,903.47cts	3,956,043
(a+b+c+d+e+f)-g		452,132,429		971,510,373		975,685,276		444,001,483
		(372,182,188)		(947,690,315)		(855,649,324)		(452,132,430)

B. FINISHED PRODUCTS AND SALES:
GOLD, DIAMOND & COLOUR STONES JEWELLERY :

Opening Stock Qty (Pcs.)	Opening Stock Value(Rs.)	Production Qty (Pcs.)	Sales Qty (Pcs.)	Sales Value(Rs.)	Closing Stock Qty (Pcs.)	Closing Stock Value(Rs.)
339 (782)	1,970,932 (2,009,691)	119,266 (105,449)	118,814 (105,892)	1,180,605,469 (1,053,071,064)	791 (339)	4,488,016 (1,970,932)

Sales value includes value of jewellery and finished diamonds.

Opening and Closing stock of Raw materials and Value thereof as given in "A" above are inclusive of value of trading goods.

3. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS AND SPARE PARTS, CONSUMABLE GOODS, CONSUMED DURING THE FINANCIAL YEAR AS PERCENTAGE OF EACH TO TOTAL CONSUMPTION.
a) STORES, SPARES AND CONSUMABLES:

	2003-04 Value(Rs.)	2003-04 (%)	2002-03 Value(Rs.)	2002-03 (%)
i. Imported	8,378,882	73.84	7,834,188	87.55
ii. Indigenous	2,968,925	26.16	1,114,276	12.45
Total	11,347,807	100.00	8,949,464	100.00

b) RAW MATERIALS:

i. Imported	172,421,859	17.52	239,643,419	28.01
ii. Indigenous	815,354,168	82.48	616,005,905	71.99
Total	987,776,027	100.00	855,649,324	100.00

4. VALUE OF IMPORTS ON CIF BASIS:

	2003-04	2002-03
a) Raw materials	186,997,778	206,444,865
b) Stores & Spares	8,395,431	8,271,137
c) Capital goods	2,633,781	3,745,574
Total (Rs.)	198,026,990	218,461,576

5. EARNING IN FOREIGN EXCHANGE:

	2003-04	2002-03
Export of Goods (At F.O.B.)	1,177,595,973	1,050,320,240

6. EXPENDITURE IN FOREIGN CURRENCY:

	2003-04	2002-03
a) Foreign Traveling	705,567	590,280
b) Others	792,611	1,536,787
Total (Rs.)	1,498,178	2,127,067

7. DETAILS OF FOREIGN SHARE HOLDING AND DIVIDEND REMITTED DURING THE YEAR:

i) No. of Non Resident Share Holders	: 5
ii) No. of shares held by them on which dividend is paid	: 1,832,000
iii) Gross Dividend	: Rs.1,832,000/-

For and on behalf of the Board

Place : Mumbai
Date : 12th August, 2004

BELA DESAI
Company Secretary

SURENDRA KUMAR SETHI
Chairman

VARIJ SETHI
Managing Director