

**MALOO GEMS & JEWELLERY LIMITED**

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**Board of Directors**

<b>Name of Director</b>	<b>Category of Director</b>
Mr. Manish Jaysukhlal Janani	Chairman & Managing Director
Mr. Dipankumar Babulal Patwa	Managing Director
Mr. Jeeyan Dipankumar Patwa	Non Executive director
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director
Mr. Ajay S Maloo*	Director
Mr. Chandresh Lotia**	Independent and Non Executive Director

\*resigned 04/08/2009

\*\*resigned 30/09/2009

**Auditors**

M/s Rajesh Thakkar & Associates., Chartered Accountant, Mumbai

**Registered Office**

306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat Gujrat-395 003

## NOTICE FOR 15<sup>TH</sup> ANNUAL GENERAL MEETING

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NOTICE is here by given that the 15<sup>th</sup> Annual General Meeting of the Members of MALOO GEMS & JEWELLERY LIMITED will be held at 306, Mahavir Chambers, Taratiya Hanuman Gally, Hathfaliyu, Mahidhar Pura, Surat – 395003, Gujarat on 30<sup>th</sup> September, 2010 on 11.30 A.M. to transact the following business:-

### **ORDINARY BUSINESS:**

1. To receive and adopt the audited balance sheet as 31<sup>st</sup> March 2010 and profit & loss account of the company for the year ended on 31<sup>st</sup> March 2010 and the Report of the Directors' and Auditors.
2. To declare 5% Dividend For the year under review subject to approval of share Holders in the Annual General Meeting.
3. To appoint Director in place of Mr. Ravindra Sanghvi who retires by rotation and being eligible offers himself for reappointment.
4. To Appoint Auditors, M/s. Rajesh Thakkar & Associates, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to authorized the Board of Director to fix their remuneration.

### **SPECIAL BUSINESS:**

5. To Consider and if thought fit to pass with or without modification following resolution as Special Resolution

#### **Appointment of Mr. Manish Janani as a joint Managing Director of the Company:**

**“RESOLLVED THAT** pursuant to section 198, 309 and 269 of the Companies Act, 1956 Mr. Manish Janani, Director of the Company, be and is hereby appointment as a joint Managing Director of the company with effect from 30<sup>th</sup> September, 2010, as per the terms of appointment as agreed upon.”

**“RESOLVED FURTHER THAT** Mr. Manish Janani, Director be responsible for the overall supervision of the company's operations, day-to-day administration,

appointment and termination of employees, operating of the company's bank accounts with power to sign cheques, promissory notes, bills of exchange, etc. and for regular reporting of the company's activities to the Board of Directors and for performing the duties that may be delegated to the Managing Director from time to time, subject to the overall supervision and control of the Board of Directors.

**Terms of Appointment:**

[I] Salary: Rs.1,00,000/- per month with authority to the Board of Directors of the Company to grant such increments as it may determine from time to time.

[II] Perquisites: Category: A

[1] The expenditure incurred by the Company at his residence on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962.

[2] Medical Reimbursement: Actual Expenses incurred for the Self and his family members.

[3] Leave Travel Concession: For Self and his family, once a year, incurred in accordance with any rules specifies membership fees.

[4] Club Fees: Fees of Clubs, subject to a maximum of two clubs. This will not include admission and membership fees.

[5] Personal Accident Insurance: Premium on Personal accident policy.

For the purpose of Category 'A' family means the spouse, the dependent children and dependent parents of the appointee.

**Category: B**

[1] Contribution to Provident Fund will not be included in the computation of the ceiling of perquisites to the extent that these wither singly or put together are not taxable under the Income tax Act.

[2] Gratuity payable shall be calculated as per the provisions of the Payment of Gratuity Act, 1972.

[3] Encashment of unavailed leave as per the rules of the company at the end of tenure will not be included in the computation of the ceiling on perquisites.

**Category: C**

Use of Company's car for official use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company. If the managing director appoints Driver/chauffeur for driving his car then the Driver's salary paid by him will be reimbursed to him on production of Stamped receipt/voucher from the driver".

**“RESOLVED FURTHER THAT** Mr. Dipenkumar Patwa, Managing Director of the Company be and is hereby authorized to take necessary steps for the implementation of the aforesaid resolution.”

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

**Change in terms and conditions of Managing Director of the Company:**

**“RESOLVED THAT** in accordance with the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the Company be and is hereby approved increase in remuneration of Mr. Dipenkumar Patwa, Managing Director of the Company upto Rs.1,00,000/- per month of the basic salary last drawn by Mr. Dipenkumar Patwa and consequential increase in the perquisites/benefits related to his basic salary with effect from 30<sup>th</sup> September, 2010 , upon the terms and conditions including remuneration, as are set out in the draft Agreement (“the Agreement”) to be executed between the Company and Mr. Dipenkumar Patwa, which Agreement placed before this meeting duly initialled by the Chairman for the purpose of identification is hereby specifically approved with liberty to the Board of Directors of the Company (“the Board”) to alter and vary the terms and conditions of the Agreement in such manner as may be agreed to between the Board and Mr. Mr. Dipenkumar Patwa and in accordance with the applicable provisions of the Act and any amendment thereto or re-enactment thereof; “

**“RESOLVED FURTHER THAT** subject to the approval of Central Government, if necessary, in the event of any absence or/inadequacy of net profit in any financial year, the aforesaid remuneration shall be paid as minimum remuneration”

**“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, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

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

**Issue of equity shares on preferential basis:**

**“RESOLVED THAT** in accordance with the provisions of Section 81, 81(A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the existing guidelines issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the

Government of India, Reserve Bank of India, Foreign Investment Protection Board, Secretariat of Industrial Approvals under the foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable laws and enabling provisions in the Memorandum of Articles of Association of the company and the listing Agreement entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board", which expression shall include and committee constituted for the time being in force thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on preferential basis up to 20,00,000 (Twenty Lacs) Equity Shares of face value of Rs.10/- each at a Price of Rs.75/- per share (including premium of Rs. 65/- per share) , being the price which is in accordance with the Guidelines for Preferential Issue contained in Chapter VII of the Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations, 2009 as amended, to the persons mentioned below on a preferential allotment basis:

<b>Sr. No.</b>	<b>Name of the Applicant (Proposed Allottee)</b>	<b>Full Address</b>	<b>PAN NO. of Proposed Allottees</b>	<b>No. of Shares</b>	<b>Category</b>
1.	Corporate Share Registry Pvt. Ltd	304/305, Saffron Building, Panchvati To Ambawadi Road, Ambavadi, Ahmedabad: 38 0006	AADCC3726 D	100000	Public
2.	Corporate Commodity Brokers Private Limited	A/25, Kalindi Appartment, Nr,Jaymala Bus Stop, Ishanpur, Ahmedabad : 3 80050	AADCC3725 A	100000	Public

3.	Corporate Stock Broking Private Limited	A/25, Kalindi Apartment, Nr,Jaymala Bus Stop, Ishanpur, Ahmedabad : 380050	AADCC3814C	150000	Public
4.	Corporate Space Managers Private Limited	A/25, Kalindi Apartment, Nr,Jaymala Bus Stop, Ishanpur, Ahmedabad : 380050	AADCC4042Q	35000	Public
5.	Pan Infosystems Private Limited	603,6th Floor, Pratiksha Building, Mahalaxmi Char Rasta, Ashram Road, Ahmedabad 380007	AAECP1044Q	35000	Public
6.	Siddhivinayak Tradelink Private Limited	6/A, Hardik Tenament, Old Dena Bank Road, Nr. Vishat Krupa Tenament, Chandkheda, Ahmedabad : 382440	AACCS1368N	35000	Public
7.	Shalibhadra Steel Private Limited	6/A Hardik Tenament, Old Dena Bank Road, Nr. Vishatkrupa Tenaments, Chandkheda, Ahmedabad : 382440	AACCS1369P	35000	Public

8.	Shankheshwar Metals Private Limited	6/A Hardik Tenament, Old Dena Bank Road, Nr. Vishatkrupa Tenaments, Chandkheda, Ahmedabad : 382440	AAACS1367 D	35000	Public
9.	Sonika Granites Private Limited	239/4,Hasanbhai Ummarbhai Ni Chali, Itwada Saraspur Ahmedabad, 380018	AAHCS8646L	35000	Public
10.	Shanti Tradelink Private Limited	239/4,Hasanbhai Ummarbhai Ni Chali, Itwada Saraspur Ahmedabad, 380018	AAACS1366C	35000	Public
11.	Girish Metals Private Limited	239/4,Hasanbhai Ummarbhai Ni Chali, Itwada Saraspur Ahmedabad, 380018	AABCG7439 B	35000	Public
12.	Parvati Minerals Private Limited	3a,Laxmi Colony,Nava Vas, Rakhiyal, Ahmedabad: 380002	AAACP9191 Q	35000	Public
13.	Pratik Minerals Private Limited	3a,Laxmi Colony,Nava Vas, Rakhiyal, Ahmedabad: 380002	AAACP9193 N	35000	Public
14.	Omkar Terry Towels Private Limited	A/24, Kalindi Appartment, Nr,Jaymala Bus Stop, Ishanpur, Ahmedabad : 380050	AAACO7730 Q	35000	Public

15.	Sannidhya Tradelink Private Limited	A/24, Kalindi Apartment, Nr,Jaymala Bus Stop, Ishanpur, Ahmedabad : 380050	AAKCS1084 M	35000	Public
16.	Shreeji Broking Pprivate Limited	A/24, Kalindi Apartment, Nr,Jaymala Bus Stop, Ishanpur, Ahmedabad : 380050	AAICS9909H	35000	Public
17.	Induram Developers Private Limited	806, Saffron Building, Panchvati To Ambawadi Road, Ambavadi, Ahmedabad: 380006	AAACI9625C	35000	Public
18.	Alak Mercantile Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 400101	AAHCA4611 M	35000	Public
19.	Nami Mercantile Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 400101	AACCN9177 A	35000	Public
20.	Aalok Commodities Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 400101	AAHCA4614 Q	35000	Public



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21.	Aaheli Infrastructure Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 400101	AAHCA4612J	35000	Public
22.	Vashi Constructions Private Limited	806, Saffron Building, Panchvati To Ambawadi Road, Ambavadi, Ahmedabad: 380006	AACCV0861H	35000	Public
23.	Shah Realcom Private Limited	15/A, Virpurnagar Society, Nr.Nalanda Water Tank, Waghodiya Road, Vadodara, 390019	AAMCS7153D	35000	Public
24.	Sarala Space Manager Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 400101	AAMCS8210P	35000	Public
25.	Shah Tradewing Gujarat Private Limited	15/A, Virpurnagar Society, Nr.Nalanda Water Tank,	AAMCS7984G	35000	Public

		Waghodiya Road, Vadodara, 390019			
26.	Shah Space Manager Private Limited	15/ A, Virpurnagar Society, Nr.Nalanda Water Tank, Waghodiya Road, Vadodara, 390019	<b>AAMCS7162 A</b>	<b>35000</b>	<b>Public</b>
27.	Haresh Infrastructure Private Limited	B/201, Silverleaf Building, Nr. Big Bazar, Akruli Road, Opp. Panchra Pole, Kandiwali (W) Mumbai : 401101	<b>AACCH1584 K</b>	<b>35000</b>	<b>Public</b>
28.	Shah And Sons Propon Private Limited	3a,Laxmi Colony,Nava Vas, Rakhiyal, Ahmedabad: 38 0002	<b>AAMCS7985 H</b>	<b>35000</b>	<b>Public</b>
29.	Somar Commodities Private Limited	8, Gandhi Building, Near Akruali Road, Near Dena Bank, Kandiwali (East) Mumbai : 40010 1	<b>AAMCS6869 A</b>	<b>35000</b>	<b>Public</b>
30.	Omswaroop Commodities Private Limited	8, Gandhi Building, Near Akruali Road, Near Dena Bank, Kandiwali	<b>AABCO1209 P</b>	<b>35000</b>	<b>Public</b>

		(East) Mumbai : 40010 1			
31.	Trusha Mercantile Private Limited	C/201, Silverleaf Building, Nr. Big Bazar, Akruli Road, Opp. Panchra Pole, Kandiwali (W) Mumbai : 401101	<b>AADCT0974 G</b>	<b>35000</b>	<b>Public</b>
32.	Ashok Propon Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 40010 1	<b>AAHCA5792 P</b>	<b>35000</b>	<b>Public</b>
33.	Soham Tradewing Private Limited	A-25, Pragnaya Society, Akurli Road,Kandivali (W), Mumbai 400101	<b>AAMCS8208 H</b>	<b>35000</b>	<b>Public</b>
34.	Shivani Tradecom Private Limited	23, Pragnaya Society, Above Dena Bank,Akruli Road, Kandiwali (E) Mumbai : 40010 1	<b>AAMCS8209 G</b>	<b>35000</b>	<b>Public</b>
35.	Darshit Hydro Power Project Private Limited	125, Shivsukh Nagar, Opp.Ratanpur Village, Vastral Road, Ahmedabad : 3 82418	<b>AACCD6151 A</b>	<b>35000</b>	<b>Public</b>

36.	Df Hydro Power Project Private Limited	26, Amane Gulista Society, Juhapara, Ahmedabad : 3 80045	AACCD6152 D	35000	Public
37.	Vishal Realty Management Limited	26, Amane Gulista Society, Juhapara, Ahmedabad : 3 80045	AACCV2174 M	35000	Public
38.	Vishal Shipping Corporation Limited	Vishal House, B/H, Punjabnational Bank, Ashram Road Ahmedabad- 380 009.	AACCV2330 H	35000	Public
39.	Dhanlaxmi Lease Finance Ltd	3a,Laxmi Colony,Nava Vas, Rakhiyal, Ahmedabad: 38 0002	AABCD6189 R	35000	Public
40.	North Pole Finance Limited	304/, Saffron Building, Panchvati To Ambawadi Road, Ambavadi, Ahmedabad: 38 0006	AAACN6495 M	35000	Public
41.	Rudra Securities And Capital Limited	304/305, Saffron Building, Panchvati To Ambawadi Road, Ambavadi, Ahmedabad: 38 0006	AACCR2292 Q	35000	Public

42.	Rama Shiva Lease Finance Private Limited	T-1, Sankul Apart., Nr.New Alkapuri Society Road, Gulbai Tekara, B/H.Polytechnic, Ahmedabad: 38 0015	<b>AAACR9243 H</b>	<b>35000</b>	<b>Public</b>
43.	Mahavir Impex Limited	"Mahavir", Opp:Metro Comm.Centre, High Court Road, Navrangpura, Ahmedabad- 380009.	<b>AABCM0373 Q</b>	<b>35000</b>	<b>Public</b>
44.	Manish J Janani	1305/1306, Excellency, Adarsh Dugdhalay Lane, Sector No.3, Next To Adarsh Harmony, Malad (W), Mumbai - 400 064.	<b>AACPJ9992L</b>	<b>125000</b>	<b>Promoter</b>
45.	Dipan B Patwa	10, Sagar Mahal, 2nd Flr, 65 Walkeshwar Rd, Mumbai - 400 006.	<b>ADSPP9952D</b>	<b>125000</b>	<b>Promoter</b>
		<b>TOTAL</b>		<b>2000000</b>	

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to accept any modification in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI/Financial Institutions/Investment Institutions/Insurance Companies/corporate Debt Restructuring Cell and/or such other appropriate authority may impose at the time of their approval as agreed by the Board”.

**“RESOLVED FURTHER** that the aforesaid equity shares shall rank *pari passu* in all respect with the existing equity shares of the Company including Dividend. The equity shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 37 of SEBI Guidelines.”

**“RESOLVED FURTHER** that the equity shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company”;

**“RESOLVED FURTHER** that the relevant date as per clause 71 of SEBI Guidelines for the determination of applicable price for the issue of equity shares shall be thirty (30) days prior to the date of this Meeting.

**“RESOLVED FURTHER THAT** for the purpose of creating, issuing, offering and allotting Equity Shares as well as Equity Shares of the Company as aforesaid, the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particulars, to settle any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the Equity Shares as well as Equity Shares of the Company, as it may, in its absolute discretion, deem fit and proper”.

**“RESOLVED FURTHER THAT** Shri Manish Janani and Mr. Dipankumar Babulal Patwa, Directors of the Company be and are hereby jointly and/or severally authorized to take all such steps and sign all such documents as may be deemed to give effect to this resolution and to delegate all or any of the powers herein conferred to any officer or officers of the Company to give effect to the aforesaid resolution legal experts, consultants and to pay any fees, commission, remuneration, incur expenses and take such steps as required for the above”.

**For Maloo Gems & Jewellery Limited**  
**(Formerly Known As Maloo Polymers Limited)**

**Date: 20/06/2010**

**Place: Surat**

Sd/-	Sd/-
(Manish Janani)	(Dipan Patwa)
Managing Director	Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to section 154 of the Companies Act, 1956, Register of Members and Shares Transfer Books of the Company will remain closed from 04<sup>th</sup> September, 2010 to 11<sup>th</sup> September, 2010 (both days inclusive).
3. The shareholders are requested to bring their copy of Annual Report at the time of Meeting.
4. As a matter of convenience the shareholders are requested to inform their queries if any, the company in advance so as to enable the company to properly reply the same at the time of meeting.

### Annexure to Notice

Notes on directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges:

#### Item No. 3

##### PROFILE OF DIRECTOR BEING APPOINTED / RE-APPOINTED

<b>Name</b>	:	Mr. Ravindra Sanghvi
<b>Date of birth</b>	:	03/07/1960
<b>Qualification</b>	:	B.Com
<b>Expertise</b>	:	Manufacturing
<b>Director of the Company since</b>	:	2008
<b>Directorship in other public limited companies</b>	:	NO
<b>Membership of Committees of other public limited companies</b>	:	NO
<b>No. of Shares held in the Company</b>	:	NIL

##### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**

#### Item No. 5

Taking into consideration the knowledge and experience of Mr. Manish Janani, Director of the Company, he is proposed to appoint as a Joint Managing Director of the Company. The Members are requested to pass the resolution as a Special Resolution.

##### PROFILE OF DIRECTOR BEING APPOINTED / RE-APPOINTED

#### Item No. 3

<b>Name</b>	:	Mr. Manish Janani
<b>Date of birth</b>	:	31/12/1966
<b>Qualification</b>	:	B.Com
<b>Expertise</b>	:	Sales
<b>Director of the Company since</b>	:	No
<b>Directorship in other public limited companies</b>	:	No
<b>Membership of Committees of</b>	:	No



**other public limited companies**

**No. of Shares held in the : 1136250**  
**Company**

The material terms and conditions of the increment contained in the draft Agreement between the Company and Mr. Manish Janani are as follows:

**Terms of Appointment**

[I] Salary: Rs.1,00,000/- per month with authority to the Board of Directors of the Company to grant such increments as it may determine from time to time.

**[II] Perquisites: Category: A**

[1] The expenditure incurred by the Company at his residence on gas, electricity, water and furnishing shall be valued as per the Income tax Rules, 1962.

[2] Medical Reimbursement: Actual Expenses incurred for the Self and his family members.

[3] Leave Travel Concession: For Self and his family, once a year, incurred in accordance with any rules specifies membership fees.

[4] Club Fees: Fees of Clubs, subject to a maximum of two clubs. This will not include admission and membership fees.

[5] Personal Accident Insurance: Premium on Personal accident policy.

For the purpose of Category 'A' family means the spouse, the dependent children and dependent parents of the appointee.

**Category: B**

[1] Contribution to Provident Fund will not be included in the computation of the ceiling of perquisites to the extent that these wither singly or put together are not taxable under the Income tax Act.

[2] Gratuity payable shall be calculated as per the provisions of the Payment of Gratuity Act, 1972.

[3] Encashment of unveiled leave as per the rules of the company at the end of tenure will not be included in the computation of the ceiling on perquisites.

**Category: C**

Use of Company's car for official use on Company's business and telephones at residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company. If the managing director appoints Driver/chauffeur for driving his car then the Driver's salary paid by him will be reimbursed to him on production of Stamped receipt/voucher from the driver.

None of the directors, except himself, of the Company is interested or concerned in the said resolution.

#### **ITEM NO.6**

Looking at the expertise, knowledge and business connection, the Board recommend to increase remuneration of Mr. Dipenkumar Patwa, Managing Director of the Company upto Rs. 1,00,000/-.

None of the directors, except himself, of the Company is interested or concerned in the said resolution.

#### **ITEM NO.7**

The following disclosure is made in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

##### **1) OBJECTS OF THE ISSUE**

In order to meet the long term resources of the company, fund for corporate actions like capital expenditure, long term working capital, plan for investment in acquisition/take-over of units/company suitable to expand the growth of the company and general corporate purposes, it is considered necessary to issue Equity Shares. The proposed funds will be utilized towards the own/equity contribution while financing the aforesaid plans. The increase in net worth through issue of Equity Shares would also enable it to raise additional borrowing in case of requirement.

##### **2) INTENTION OF THE PROMOTER**

The Promoters/Directors/Key Management of the company have conveyed to the company that no promoters, directors, key management persons intend to subscribe to the offer proposed under special resolution at Item No.1 of the Special Business of the notice for the shareholders approval at this meeting.

##### **3) NO CHANGE IN CONTROL**

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment.

##### **4) SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE:**

Category	Pre-Issue Equity Holding		Post-Issue Equity Holding	
	No of Shares	% of Share Holding	No of Shares	% of Share Holding
<b>1. Promoters Holdings</b>				
a. Indian Promoters	22,70,000	45.22	25,20,000	35.90
<b>Sub Total</b>	<b>22,70,000</b>	<b>45.22</b>	<b>25,20,000</b>	<b>35.90</b>
<b>2. Non Promoters Holding</b>				
a. Resident Indians	25,52,000	50.83	25,52,000	36.35
b. Bodies Corporate	01,98,000	03.95	19,48,000	27.75
c. NRIs /FII/ Foreign Corporate Bodies	00	00	00	00
<b>Sub Total</b>	<b>27,50,000</b>	<b>54.78</b>	<b>45,00,000</b>	<b>64.10</b>
<b>Total Paid-up Capital</b>	<b>50,20,000</b>	<b>100</b>	<b>70,20,000</b>	<b>100</b>

#### 5) LOCK-IN PERIOD

The Shares allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 37 of SEBI Guidelines.

#### 6) PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED:

The Company will complete the allotment of Equity Shares within a period of 15 days from the date of passing of the resolutions by the shareholders or when the allotment on preferential basis requires any approval by any regulatory authority or central government, the allotment of Equity Shares will be completed within 30 days from the date of such approvals.

The allotment of the 20,00,000 Equity Shares will be completed within 30 days from the date of in-principle approval from stock exchange.

#### 7) CERTIFICATE FROM AUDITORS:

The certificate from the auditors of the Company, certifying that the issue of financial instruments on the above terms is in accordance with the SEBI Guidelines on

Preferential Issues as in force on the date of this shall be laid before the Members at the Meeting.

**8) IDENTITY OF ALLOTEES WITH PERCENTAGE OF EXPAND CAPITAL HELD BY THEM**

The proposed allottees of 20,00,000 equity shares issued pursuant to special resolution at Item No.1 of the notice and percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per said resolution are as under

Sr. No	Name of the proposed Allottee	Category	Before Preferential Issue		After preferential issue	
			No of Shares Held	%of Share holding	No of Shares	%of Share holding
1	CORPORATE SHARE REGISTRY PVT. LTD	Public	0	0	100000	1.42%
2	CORPORATE COMMODITY BROKERS PRIVATE LIMITED	Public	0	0	100000	1.42%
3	CORPORATE STOCK BROKING PRIVATE LIMITED	Public	0	0	150000	2.14%
4	CORPORATE SPACE MANAGERS PRIVATE LIMITED	Public	0	0	35000	0.50%
5	PAN INFOSYSTEMS PRIVATE LIMITED	Public	0	0	35000	0.50%
6	SIDDHIVINAYAK TRADELINK PRIVATE LIMITED	Public	0	0	35000	0.50%
7	SHALIBHADRA STEEL PRIVATE LIMITED	Public	0	0	35000	0.50%
8	SHANKHESHWAR METALS PRIVATE LIMITED	Public	0	0	35000	0.50%
9	SONIKA GRANITES PRIVATE LIMITED	Public	0	0	35000	0.50%
10	SHANTI TRADELINK	Public	0	0	35000	0.50%

	PRIVATE LIMITED					
11	GIRISH METALS PRIVATE LIMITED	Public	0	0	35000	0.50%
12	PARVATI MINERALS PRIVATE LIMITED	Public	0	0	35000	0.50%
13	PRATIK MINERALS PRIVATE LIMITED	Public	0	0	35000	0.50%
14	OMKAR TERRY TOWELS PRIVATE LIMITED	Public	0	0	35000	0.50%
15	SANNIDHYA TRADELINK PRIVATE LIMITED	Public	0	0	35000	0.50%
16	SHREEJI BROKING PPRIVAT LIMITED	Public	0	0	35000	0.50%
17	INDURAM DEVELOPERS PRIVATE LIMITED	Public	0	0	35000	0.50%
18	ALAK MERCANTILE PRIVATE LIMITED	Public	0	0	35000	0.50%
19	NAMI MERCANTILE PRIVATE LIMITED	Public	0	0	35000	0.50%
20	AALOK COMMODITIES PRIVATE LIMITED	Public	0	0	35000	0.50%
21	AAHELI INFRASTRUCTURE PRIVATE LIMITED	Public	0	00	35000	0.50%
22	VASHI CONSTRUCTIONS PRIVATE LIMITED	Public	0	0	35000	0.50%
23	SHAH REALCOM PRIVATE LIMITED	Public	0	0	35000	0.50%
24	SARALA SPACE MANAGER PRIVATE LIMITED	Public	0	00	35000	0.50%
25	SHAH TRADEWING GUJARAT PRIVATE LIMITED	Public	0	0	35000	0.50%
26	SHAH SPACE MANAGER PRIVATE LIMITED	Public	0	0	35000	0.50%
27	HARESH INFRASTRUCTURE PRIVATE LIMITED	Public	0	0	35000	0.50%
28	SHAH AND SONS PROPON PRIVATE LIMITED	Public	0	0	35000	0.50%
29	SOMAR COMMODITIES PRIVATE LIMITED	Public	0	0	35000	0.50%
30	OMSWAROOP COMMODITIES PRIVATE	Public	0	0	35000	0.50%

	LIMITED					
31	TRUSHA MERCANTILE PRIVATE LIMITED	Public	0	0	35000	0.50%
32	ASHOK PROPON PRIVATE LIMITED	Public	0	0	35000	0.50%
33	SOHAM TRADEWING PRIVATE LIMITED	Public	0	0	35000	0.50%
34	SHIVANI TRADECOM PRIVATE LIMITED	Public	0	0	35000	0.50%
35	DARSHIT HYDRO POWER PROJECT PRIVATE LIMITED	Public	0	0	35000	0.50%
36	DF HYDRO POWER PROJECT PRIVATE LIMITED	Public	0	0	35000	0.50%
37	VISHAL REALTY MANAGEMENT LIMITED	Public	0	0	35000	0.50%
38	VISHAL SHIPPING CORPORATION LIMITED	Public	0	0	35000	0.50%
39	DHANLAXMI LEASE FINANCE LTD	Public	0	0	35000	0.50%
40	NORTH POLE FINANCE LIMITED	Public	0	0	35000	0.50%
41	RUDRA SECURITIES AND CAPITAL LIMITED	Public	0	0	35000	0.50%
42	RAMA SHIVA LEASE FINANCE PRIVATE LIMITED	Public	0	0	35000	0.50%
43	MAHAVIR IMPEX LIMITED	Public	0	0	35000	0.50%
44	MANISH J JANANI	Promoter	1136250	22.63%	125000	1.78%
45	DIPAN B PATWA	Promoter	1133750	22.59%	125000	1.78%
	Total		2270000	45.22%	2000000	28.49%

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares etc., such shares shall be offered to the existing shareholders of the company in the manner laid down in section 81 unless the shareholders in the general meeting decide otherwise by passing a special resolution.

Hence, consent of the shareholders by way of a special resolution is being sought pursuant to Section 81 and all other applicable provisions of Companies Act, 1956 and in terms of the provisions of the Securities And Exchange Board of India (Issue Of

Capital And Disclosure Requirements) Regulations, 2009 and listing agreements executed by the Company with the Stock Exchanges where the company's shares are listed.

9) **PRICING**

The issue of Equity Shares on preferential basis shall be at a price of Rs. 75.00/- per share (including premium of Rs. 65 per share) each. The price is determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for preferential issue.

10) **PAYMENT TERMS**

Full amount required to be paid upon allotment.

11) **RELEVANT DATE**

"Relevant Date" for the purpose of this clause means the date thirty days prior to the date on which the meeting of general body meeting of shareholders is held in terms of Section 81(A) of the Companies Act, 1956 to consider the proposed issue, which is 20/06/2010.

The resolution requires approval of the members as per the provisions of the Companies Act, 1956 and your Board recommends the resolution for approval.

None of the directors of the Company is interested or concerned in the said resolution.

**For Maloo Gems & Jewellery Limited  
(Formerly Known As Maloo Polymers Limited)**

**Date: 20/06/2010**

**Place: Surat**

Sd/-	Sd/-
(Manish Janani)	(Dipan Patwa)
Managing Director	Managing Director

## DIRECTORS' REPORT

To,  
The Members,  
Maloo Gems & Jewellery Limited  
Surat.

The Directors' present the Fifteenth Annual report on the business and operations of your Company for the year 2009-2010

### FINANCIAL RESULTS AND OPERATIONAL REVIEW:

Particulars	Year Ended 31.03.2010 (Rs. In Lacs)	Year Ended 31.03.2009 (Rs. In Lacs)
Gross Sales/Income	22528.75	55.94
Less Depreciation	2.62	2.53
Profit/(Loss) before Tax	153.89	48.91
Taxes/Deferred Taxes	44.30	(0.12)
Profit/(Loss) After Taxes	109.58	49.04
P& L Balance b/f	87.59	38.55
Profit/ (Loss) carried to Balance Sheet	167.80	87.59

Your Directors feel pleasure to report increase in the turnover and registering profit after tax of Rs.167.80 Lakhs which was made possible through inserting capital equipment last year and better production planning. Directors are exploring various other opportunities to further improve the working results during the current year.

### DIRECTORS:

Mr. Ravindra Sanghavi Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### DIVIDEND:

Directors have recommend 5% divided for the year under review.

### RESPONSIBILITY STATEMENT:



As required u/s 217(2AA) of the Companies Act, 1956 your Director confirms that in the preparation of the annual accounts:

The applicable accounting standards have been followed along with proper explanation relating to material departures.

Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, so as to give a true and fair view of the state of affairs of the company at the end of the financial Year and the profit/loss of the company for that period.

Proper and sufficient care has been taken for the maintenance of the adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The annual accounts have been prepared on a going concern basis.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

As required under rule 3 of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1998, the particulars relating to the conservation of energy, Technology absorption, and the foreign exchange earnings and outgo are also Nil.

##### **A. Conservation of Energy:**

###### **(1) Energy Conservation Measures Taken:**

The Company accords high priority to conservation of energy. Several concrete steps have been taken to save energy such as utmost utilization of D.G. Set run by diesel and with regular maintenance and overhauling.

###### **(2) Impact of Measures of (A) above for reduction of energy Consumption and Consequent Impact on the cost of production of Goods: The measures listed above resulted in lower consumption.**

###### **(3) Total Energy consumption and energy consumption per unit of production.**

##### **B. Research and Development:**

R & D forms the basis of Maloo's efforts in making processes simpler, smoother and faster for the diamond industry. R & D is a highly structured activity at Maloo and stringent quality control measures have led to technologically

superior products. There is a total concentration on up gradation of technology and standardization of components. Our engineering & manufacturing personnel have a broad range of experience in designing & producing quality machinery & inspection equipment.

**C. Foreign Exchange Earnings and Outgo:**

Foreign Exchange Earning is ` 13, 70, 45, 157 /-

Foreign Exchange Outgo is ` 2,18,65,42,825 /-

**APPOINTMENT OF AUDITORS:**

M/s. Rajesh Thakkar & Associates, Chartered Accountants who had been appointed as Auditors of the Company to in place of retiring auditor of the Company M/s. Naimesh K Shah & Co., Chartered Accountants are the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the year under review. Your Company is listed with the Bombay Stock Exchange.

**PARTICULARS OF EMPLOYEES:**

There is no employee having remuneration with the provisions of section 217(2A) of the companies Act 1956 read with the Companies (Particulars of employee) Rules, 1975 as amended.

**CHANGE IN THE OBJECT CLAUSE OF THE COMPANY**

The Company had changed its object clause during the financial year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management discussion and analysis Report, pursuant to Clause 49 of the Stock Exchange Listing agreement, forms part of this Report and the same is annexed hereto.

**REPORT ON CORPORATE GOVERNANCE:**

A separate Report on Corporate Governance along with Certificate from Auditors on its compliance as annexed hereto.

**SEGMENT:**

Your Company is engaged in a single segment only.

**ACKNOWLEDGEMENT:**

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company.

**For Maloo Gems & Jewellery Limited  
(Formerly Known As Maloo Polymers Limited)**

**Date: 20/06/2010**

**Place: Surat**

Sd/-  
(Manish Janani)  
Managing Director

Sd/-  
(Dipan Patwa)  
Managing Director

## **MALOO GEMS & JEWELLERY LIMITED**

### **Report on Corporate Governance** (Pursuant to Clause 49 of the Listing Agreement)

#### **A. Mandatory Requirements**

The Board of Directors of the Company gives due support to the principles behind the good Corporate Governance. Given below is a report on Corporate Governance:

#### **1. Company's philosophy on code of Corporate Governance**

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

Statutorily, Corporate Governance involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all shareholders. The company's philosophy of corporate governance is not only to meet statutory requirements but also to go beyond that and to attain a high level of transparency and accountancy in the functioning of the Company and the conduct of the business both internal and external. This is done with the sole view to enhance share holder's value.

#### **2. Board of Direct**

##### **2.1 Composition of the Board:**

The Board of Directors of the Company comprised 3 Non Executive Directors. The Directors also comprised two independent directors. The Chairman is a Non executive director.

<b>Name of Director</b>	<b>Category of Director</b>
Mr. Manish Jaysukhlal Janani	Chairman & Managing Director
Mr. Dipankumar Babulal Patwa	Managing Director
Mr. Jeeyan Dipankumar Patwa	Non Executive director
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director

## 2.2 Responsibilities of the Board

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

## 2.3 Meeting and Attendance Record of Directors

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year under review, the Board met 21 times on the following dates:

29/04/2009	07/05/2009	21/05/2009	23/06/2009
30/07/2009	04/08/2009	12/08/2009	13/08/2009
26/08/2009	02/09/2009	18/09/2009	30/09/2009
20/10/2009	27/11/2009	01/12/2009	08/01/2010
29/01/2010	05/02/2010	01/03/2010	19/03/2010
24/03/2010			

c. Attendance of Directors at Meetings of Board of Directors and last AGM:

Name of Director	Category of Directorship	No. of Meetings Attended	Attendance at the last AGM held on 30.09.2009
Mr. Manish Jaysukhlal Janani	Chairman & Managing Director	21	YES
Mr. Dipankumar Babulal Patwa	Managing Director	21	YES

Mr. Jeeyan Dipankumar Patwa	Non Executive director	18	YES
Mr. Ravindra Chandulal Sanghavi	Independent and Non Executive Director	18	YES
Mr. Ajit Mangaldas Shah	Independent and Non Executive Director	18	YES
Mr. Chandresh Lotia *	Independent and Non-Executive Director	12	YES
Mr. Ajay S Maloo**	Director	5	YES

\*resigned 30/09/2009

\*\*resigned 04/08/2009

#### **2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting**

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Ravindra Sanghvi , Directors of the Company who retire by rotation at the ensuing Annual General Meeting and offer themselves for re-appointment.

#### **Profile of Mr. Ravindra Sanghvi, Director being appointed u/s 255 and 256 of the Companies Act, 1956**

Name	Ravindra Sanghvi
Date of Birth	03/07/1960
Date of Appointment	30/09/2009
No. of shares held in the company	NIL
No. of warrants held in the company	NIL
Directorship in other company	NIL

#### **2.5 Details of Directors who are as Chairman and Directors in other Public Companies**

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the

Directors who are on the Board of the Company as on 31<sup>st</sup> March, 2010 and the same is reproduced herein below:

Sr. No.	Name of Director	No of Directorship in other Public Companies	No. of Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Mr. Manish Jaysukhlal Janani	--	--	--
2.	Mr. Dipankumar Babulal Patwa	--	--	--
3.	Mr. Jeeyan Dipankumar Patwa	--	--	--
4.	Mr. Ravindra Chandulal Sanghavi	--	--	--
5.	Mr. Ajit Mangaldas Shah	--	--	--

### 3. COMMITTEE OF BOARD:

The Company had Three Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

#### 3.1 Audit Committee:

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of three members viz. Mr. Ravindra Sanghvi and Ajit Mangaldas Shah who are well versed with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting. Mr. Manish Janani is the Chairman of the committee.

The Audit Committee of the Board of Directors of the Company, Inter-alias, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

#### **TERMS OF REFERENCE:**

The scope of activities of the Audit Committees includes the following:

- A. Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment of any other Consultancy services provided by the statutory auditor.
- C. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries abased 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 the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- D. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- E. Reviewing the adequacy of 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.
- F. Discussion with internal auditors any significant findings and follow up there on.



- G. 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 system of a material nature and reporting the matter to the board.
- H. Discussions with external auditors before the audit commences, the nature and scope of audit, as well as conduct post audit discussions to ascertain any area of concern.
- I. Reviewing the company's financial and risk management policies.
- J. To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non payment of declared dividend) and creditors.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meetings held after the Audit Committee for deliberations and the full minutes of the same are placed before the following

Board Meeting for recode. The Board of Directors, regularly appraised on the recommendations for the Audit Committee, further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit.

Dates of the Audit Committee Meetings are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting.

As required under Clause 49(III)(E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management
- Management letters/letters of internal controls, weaknesses issued by the Statutory Auditors.
- Internal Auditors Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

During the year under review, the 4 Audit Committee were held during Financial Year 2009-10. The dates on which the said meetings were held as follows:

05/06/2009	28/09/2009	30/12/2009	29/03/2010
------------	------------	------------	------------

The necessary quorum was present at the meetings.

### 3.2 Remuneration Committee

The remuneration committee of the Company comprises of Mr. Manish Janani. The Remuneration Committee reviewing the overall compensation policy, service agreements and other employments and other employment conditions of Managing / Whole time Directors and Managing Director etc.

There was no meeting of Remuneration Committee during the Financial Year 2009-10

### 3.3 Share Transfer & Shareholders'/Investor Grievance Committee:

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

Sr. No.	Name	Position
1	Mr. Manish Janani	Chairman
2	Mr. Ravindra Sanghvi	Member
3	Mr. Ajit Shah	Member

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2010 is given below):

#### Complaints Status: 01.04.2009to 31.03.2010

- Number of complaints received so far : NIL
- Number of complaints solved : NIL
- Number of pending complaints : NIL

#### Compliance Officer:

Mr. Manish Janani is Compliance Officer for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with

Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

#### **4. GENERAL BODY MEETINGS:**

(a) The location and time, where last three years Annual General Meetings are as follows :

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
2006-07	B 1 Harikrupa Aprt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India – 380013	29/09/2007	11:00 A.M.
2007-08	B 1, Harikrupa Apartment, Nr Naranpura Railway Crossing, Ahmedabad-380013	30/09/2008	11:30 A.M.
2008-09	B 1 Harikrupa Aprt, Nr. Naranpura Railway Cross, Exchange C G Road, Naranpura, Gujarat India – 380013	30/09/2009	12:30 P.M.

(b) All the resolutions including special resolutions set out in the respective notices were passed by the shareholders. The following special resolutions were passed in previous three Annual General Meeting for the following three consecutive financial years:

##### **2009**

Special Resolution had been passed in the Annual General Meeting for (1) shifting of Registered Office from B 1, Harikrupa Aprt., Nr. Naranpura Railway Cross Exchange, C G Road, Navrangpura– 380013, Gujarat to 306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat 395 003 with effect from 30/09/2009 (2) Appointment of Mr. Manish Janani as Managing Director of the Company.

##### **2008**

Special Resolution in regard to (1) Regularize Mr. Manish Muchhala as director of the company

**2007**

Special Resolution passed in the Annual General Meeting for (1) Regularized the Director Mr. Ramanlal Travedi (2) Regularized the Director Mr. Chandresh Lotia. (3) Change of Auditor of the Company from M/s Malav C. Sheth & Co., Chartered Accountant, Ahmedabad to M/s Naimesh Shah & Co., Chartered Accountant, Ahmedabad.

#### **EXTRA ORDINARY GENERAL MEETING DURING THE YEAR 2009-2010**

Extra Ordinary General Meeting held during the financial year under review.

(a) Extra Ordinary General Meeting was held on 22/12/2009 for change of name of the Company from Maloo Polymers Limited to Maloo Gems & Jewellery Limited and also for alteration of the Memorandum of Association of the Company for the same during the year u/s 17 of Companies Act, 1956.

(b) Another Extra ordinary General meeting was held on 25/02/2010 for delisting of Securities from The Pune Stock Exchange, The Jaipur Stock Exchange and The Saurashtra Kutch Stock Exchange Limited.

#### **ONE POSTAL BALLOT RESOLUTION PASSED DURING THE YEAR 2009-10**

(a) The Company has passed resolution through Postal Ballot and declared at the meeting of Board of Directors held on 20/10/2009 for change in main Business activities of the Company and thereby by alteration in Memorandum of Association of the Company under Section 17 of the Companies Act.

#### **5. DISCLOSURES:**

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large. The detailed related party information and transactions have been provided in Note 1(xi) of Schedule P of Notes to Accounts.

#### **CHANGE IN CAPITAL STRUCTURE:**

During the Financial Year, the Capital structure of the company had not been changed by any issue made by the Company besides this the Authorised Share Capital increased from Rs. 5,50,00,000/- (Rupees Five Crores Fifty Lacs only) divided into 55,00,000 (Fifty Five Lacs) equity shares of Rs.10/- (Rupees Ten Only) to Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores Only) equity shares of Rs.10/-(Rupees Ten Only) each.

## **CEO/CFO CERTIFICATION:**

(Under Clause 49(V) of Listing Agreement)

I Certify that --

a. I have reviewed the financial statements and the cash flow statement for the year 2009-10 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2009-10 which are fraudulent, illegal or violative of the Company's code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2009-10;
- Significant changes in accounting policies during the year 2009-10 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

## **6. MEANS OF COMMUNICATION:**

The presentation as to the Company's performance etc., are made to the Institutional Investors/Financial Analysts as and when felt expedient.

The Management Discussions and Analysis Report forms part of the Directors Report and is given separately.

## **7. GENERAL SHAREHOLDERS' INFORMATION:**

- a. 15<sup>th</sup> Annual General Meeting: Date, Time and venue: 30<sup>th</sup> September, 2010 at 11.30 a.m. at the Registered Office of the Company.
- b. Financial Year: 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.
- c. Financial Calendar:
  - i. 1<sup>st</sup> quarterly results – last week of June, 2009.
  - ii. 2<sup>nd</sup> quarter results – last week of September, 2009.
  - iii. 3<sup>rd</sup> quarter results – last week of December, 2009.
  - iv. 4<sup>th</sup> quarter results – last week of March, 2010.
- d. Date of Book Closure: Wednesday, 04<sup>rd</sup> September, 2010 to 11<sup>th</sup> September, 2010.
- e. Dividend Payment Date: N.A.
- f. Listing of Equity Shares on Stock Exchanges: The Ahmedabad Stock Exchange Limited Annual listing fees for the financial Year upto 31-03-2010 has been paid.
- g. Stock Code: ASE 34628
- h. Demat ISIN number: **INE142K01011**
- i. Share Transfer System: All the transfers are received and processed by share Transfer agents and are approved by share transfer committee. Share Transfer requests received in physical form are registered within 30 days and demat requests are confirmed within 21 days.
- j. Distribution of Shareholding as on 31.03.2010.

Share Holding of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	No.	% to total	In Rs.	% to total
upto	5000	2,000	98.04	5064000	10.09
5,001	10,000	2	0.10	198000	0.39
10,001	20,000	7	0.34	1114000	2.22
20,001	30,000	0	0.00	0	0.00
30,001	40,000	0	0.00	0	0.00
40,001	50,000	18	0.88	8993000	17.91
50,001	1,00,000	7	0.34	3507000	6.99
1,00,001	and above	6	0.29	31324000	62.40
<b>Total</b>		<b>2040</b>	<b>100.00</b>	<b>50200000</b>	<b>100.00</b>

k. Shareholding pattern as on 31.03.2010

a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group		
Companies	2270000	45.22
b. Other bodies corporate	198400	3.95
c. Indian public	2551600	50.83
<b>TOTAL</b>	<b>5020000</b>	<b>100.00</b>

Dematerialization of shares: As on 31-03-10 Demated shares accounted for 68.13% (34,20,200 Equity Shares) of total equity.

Outstanding GDR / ADR / Warrants: Not Applicable

**Address for communication:**

1. M/s.Purva Sharegistry (India) Pvt. Ltd.  
No-9, Shiv Shakti Industrial Estate,  
Ground Floor, J. R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel,  
Mumbai - 400 011  
Tele No. : 022-2301 6761 / 2301 8261  
Fax No. : 022-2301 2517  
E-mail :busicomp@vsnl.com

2. Maloo Gems & Jewellery Limited  
306, Mahavir Chambers,  
Taratiya Hanuman Gally,  
Hatl~faliyuM, ahidhar Pura,  
Surat – 395003

**Declaration of compliance with the code of conduct**

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, Mr. Manish Janani, Chairman & Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 2010.

**For Maloo Gems & Jewellery Limited  
(Formerly Known As Maloo Polymers Limited)**

**Date: 20/06/2010**

**Place: Surat**

Sd/-  
(Manish Janani)  
Managing Director

Sd/-  
(Dipan Patwa)  
Managing Director



## **ANNEXURE "B" TO DIRECTORS' REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

#### **Business Overview:**

We at Maloo Gems & Jewellery Limited dedicate excellence in our prime mission of software development for diamond machineries and now taking initiatives in the business of diamond machineries in diamond industry with updated technology, keeping in mind the need of the industry and global competency.

We are committed towards maximum customer satisfaction and to cater their needs and to match their expectations for quality, reliability, safety, and technology and after-sale service. We move as a well-organized team with active involvement of persons at all levels for continual process improvements underlining the aspirations of the customers.

Our motto is to render quickest service to the customer at his call hence our concern for the customer and our customer to keep his wheel moving without any interruptions.

#### **OVERALL REVIEW OF COMPANY:**

##### **Product Portfolio:**

Customer's satisfaction by delivering quality products has been the corner stone of our Company. The Company, therefore, believes in manufacturing of all critical and precision components in-house. The production facilities of the Company are equipped with high precision machine tools and managed by a team of well qualified and experienced engineers and technicians.

Research & Development has always been the focus and strength of the company. This effort has helped the industry by many innovative products and technologies.

The group has dedicated Design and R&D centre which is recognized by Department of Science & Technology Govt. of India. This facility is equipped with most modern instruments, manned by highly qualified engineers from various disciplines developing products & solutions to meet the need of markets and provide value added services to our customers. Hence, the next step of the Company will be to include following variety of products in the portfolio of the Company products:

- ❖ Diamond scope
- ❖ Luster View
- ❖ E Scope
- ❖ Diamond Counting System
- ❖ Auto Sawing Pad

❖ Polishing Sensor

## **OPPORTUNITIES AND THREATS:**

### **An Initiative that Transformed the Industry:**

Maloo Gems & Jewellery Limited, the leading company in polymers machinery manufacturing industry-developing enduring relationship with customers by providing quality products and service since 15 years.

### **Our Clientele:**

With consistent quality products and services, we have achieved total customer satisfaction resulting in worldwide customer base. We have been able to achieve long standing association with our clients by offering them maximum benefits through our superior quality of services and products.

We have a wide network of distributors and offices, which are always there to assist our clients in meeting all of their requirements with utmost precision and within time. Our teams of technically sound sales persons ensure prompt delivery of goods and provide friendly assistance with round the clock services to our valued customers.

### **Quality Assurance:**

Committed to deliver an up to date technology through continuous innovation and research

Equipped with required infrastructure and utility

Advance lab fully equipped for monitoring of test results and monitoring of produced machines in plant

Equipped with required all testing / measuring / trial equipments for demonstration and measurement

Skilled expert of diamond industry with mechanical technocrats with advance software technology made, research easier and quicker

3-D modeling of design and components are prepared for design validation prior to match required standard of accuracy and strength

After sale support team is linked with R&D team for timely update of product performance and analysis of complain route cause to make product error / trouble free

Customer has liberty to suggest their view / experience to make product more reliable and efficient.

### **CURRENT SCENARIO:**

#### **The Competitive Edge:**

Maloo Gems & Jewellery Limited stands tall in its arena owing to a number of factors. Few of these are:

- ❖ Strong Human Resource consisting of best talent from field of Laser, computer software-hardware, electronics and mechanical and management
- ❖ Value for money products.
- ❖ Commitment for quality in products and operations
- ❖ A large base of satisfied customers across the globe
- ❖ Dedicated efforts towards technical excellence through continuous innovation
- ❖ Customer centric product development approach
- ❖ Well articulated market sensing mechanism
- ❖ A market share of around 80% of the supply of laser machines
- ❖ Advanced R&D and manufacturing infrastructure
- ❖ Highly dynamic & well equipped Marketing & Service team
- ❖ Driven by the purpose of client business excellence

#### **Internal Control Systems and their adequacy:**

The Company is committed to maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The Company has an internal control department to monitor, review and update internal controls on an ongoing basis. The Company has put in place a well defined organization structure, authority levels and internal guidelines for conducting business transactions. The Company appointed independent internal auditors, who would monitor and review all transactions independently to get higher level of efficiency and would report directly to the Audit Committee, which consists of entirely independent directors, on quarterly basis. The Internal Auditors conducts audit all key business areas as per the pre-drawn audit plan. All significant audit observations and follow up actions are reported to the Audit Committee along Internal Audit reports and management's responses/replies. The minutes of Audit Committee would be reviewed by the Board for its suggestions/recommendations to further improve the internal control systems. The Audit Committee periodically reviews audit plans, observations and recommendations of the internal auditors as well as external auditors with reference to significant risk areas and adequacy of internal controls.

### **Human Resources / Industrial Relations:**

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset refreshable are corner stones for the success of any organization.

### **Caution Statement:**

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides, the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

**For Maloo Gems & Jewellery Limited  
(Formerly Known As Maloo Polymers Limited)**

**Date: 20/06/2010**

**Place: Surat**

Sd/-	Sd/-
(Manish Janani)	(Dipan Patwa)
Managing Director	Managing Director

## AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,  
The Members,  
MALOO GEMS & JEWELLERY LIMITED,  
306, Mahavir Chambers,  
Taratia Hanuman Gally,  
Mahidhar Pura,  
Surat Gujrat-395 003

We have examined the compliance of Corporate Governance by Maloo Gems & Jewellery Limited for the year ended on 31<sup>st</sup> March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**M/S. Rajesh Thakkar & Associates**  
**Chartered Accountants**

**Place: Mumbai**  
**ate: 20<sup>th</sup> June, 2010**

**Sd/-**  
**Rajesh Thakkar**  
**(Proprietor)**  
**Men.No. 108714**

## **AUDITORS' REPORT**

To the members of **MALOO GEMS & JEWELLERY LIMITED.**

We have audited the attached Balance Sheet of **MALOO GEMS & JEWELLERY LIMITED** as at 31st March 2010 and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principal used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

- 1) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 2) Further to our comments in the Annexure referred to above, we state that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
  - c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred with in Section 211(3C) of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31<sup>st</sup> March, 2010 from being appointed as a Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;
  - f) **In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes give the information required by the Companies Act, 1956 and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:**
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and
    - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
    - iii) In the case of the Cash Flow Statement , of the cash flows for the for the year ended on that

**FOR RAJESH THAKKAR & ASSOCIATES**  
**Chartered Accountants**

Sd/-  
**RAJESH THAKKAR**  
**(Proprietor) M. NO. 108714**

Place: Mumbai  
Date : 20.06.2010

## **ANNEXURE**

**Re : MALOO GEMS & JEWELLERY LIMITED.**

Referred to in point no.1 of our report of even date.

- i. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.  
  
(b) The Fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
- ii. The company possess stock in trade . Under these circumstances, the following question are answerd:
  - (a) Physical Verification of stocks; Physical stock is responsibility of management.
  - (b) Procedure for physical verification of stock;
  - (c) Discrepancies between physical verification of stocks and book records;
  - (d) Verification and Valuation of stock;
- iii. The company has not taken any loans, from parties listed in the register maintained under section 301 of the Act. Hence the question of verification of the terms and conditions on which loans have been taken by the company does not arise.
- iv. In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- v. (a) According to the information & explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.  
  
(b) In our opinion, The Company has not entered into any transactions exceeding the value of five lakhs rupees in respect of any party during the financial year and hence the question of verifying the reasonableness of prices having regard to the prevailing market prices at the relevant time does not arise.
- vi. The company has not accepted any deposits from the public.
- vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed any cost records pursuant to the rules made for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in relation to the company's business activities.
- ix. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities wherever applicable.  
  
(b) According to the information & explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty and cess were in arrears, as at 31<sup>st</sup> March 2010, for a period of more than 6 months from the date they became payable.



- (c) According to the information & explanations given to us, there are no dues of Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.
- x. At the end of the financial year, the Company does not have accumulated losses and has not incurred cash loss in the previous financial year.
- xi. *According to the information & explanations given to us, the company has not taken any loans from financial institution & banks, hence the question of repayment of dues to financial institution & banks does not arise*
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company does not have dealing in shares, hence the question of maintaining proper records of dealing in or trading in shares, securities, debentures and the securities stands in the name of the company does not arise.
- xv. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. The company has not availed of any term loans, hence the question of it being applying for the purpose for which it is obtained does not arise.
- xvii. On an overall basis, the funds raised on short-term basis have, prima facie, not been used for long term investment and vice versa.
- xviii. The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The company has not issued any debentures.
- xx. The company has not raised money by public issues during the year.
- xxi. Based on the checks carried out by us, any fraud on or by the company has not been noticed or reported during the year.

**FOR RAJESH THAKKAR & ASSOCIATES**  
**Chartered Accountants**

Place : Mumbai  
Date : 20.06.2010

**Sd/-**  
**RAJESH THAKKAR**  
**(Proprietor)**  
**M. NO. 108714**



MALOO GEMS & JEWELLERY LIMITED			
BALANCE SHEET AS AT 31ST MARCH, 2010			
	SCHEDULE	31ST MARCH 2010	31ST MARCH 2009
		Rupees.	Rupees.
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>1. SHAREHOLDERS FUNDS</u></b>			
a) Share Capital	'A'	50200000.00	50200000.00
b) Reserve & Surplus	'B'	16780413.75	8758697.00
<b><u>2. LOAN FUNDS</u></b>			
	'C'		
a) Secured Loans		1814640936.92	0.00
b) Unsecured Loans		706590329.00	22519400.00
Deffered Tax Laibility		117547.00	161606.00
<b>TOTAL</b>		<b>2588329226.67</b>	<b>81639703.00</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>1.FIXED ASSETS</u></b>			
	'O'		
Gross Block		3432699.00	3375459.00
LESS:Accumulated Depreciation		1861423.00	1599289.00
Net Block		1571276.00	1776170.00
<b><u>2. INVESTMENTS</u></b>			
	'D'	5866222.00	63167696.00
<b><u>3.CURRENT ASSETS , LOANS AND ADVANCES</u></b>			
a) Inventories		282623094.00	285636.00
b) Sundry Debtors	'E'	747824005.00	2180500.00
c) Cash & Bank Balances	'F'	1895697318.67	1991536.00
d) Other Current assets,Loans & advances		1236911051.00	12988497.00
		<b>4163055468.67</b>	<b>17446169.00</b>
Less : Current Liabilities And Provisions	'H'		
Current Liabilities		1575189525.00	750332.00
Provisions		7937415.00	0.00
		<b>1583126940.00</b>	<b>750332.00</b>
Net Current Assets		2579928528.67	16695837.00
Deferred Revenue Expenditure		963200.00	0.00
<b>TOTAL</b>		<b>2588329226.67</b>	<b>81639703.00</b>
<b>NOTES FORMING PART OF THE ACCOUNTS 'K'</b>			
<b>AS PER OUR ATTACHED REPORT OF EVEN DATE</b>			
<b>FOR RAJESH THAKKAR &amp; ASSOCIATES</b>		<b>FOR MALOO GEMS &amp; JEWELLERY LIMITED</b>	
Chartered Accountants			
Sd/-	Sd/-	Sd/-	
<b>RAJESH THAKKAR</b>	<b>MANISH JANANI</b>	<b>DIPAN PATWA</b>	
Proprietor	Director	Director	
Memb No. 108714,			
PAN : ABDPT7940E			
<b>MUMBAI : 20TH JUNE' 2010</b>	<b>MUMBAI : 20TH JUNE' 2010</b>		

<b><u>MALOO GEMS &amp; JEWELLERY LIMITED.</u></b> <b>PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.</b>		
SCHEDULE	YEAR ENDED 31ST MARCH 2010 Rupees.	YEAR ENDED 31ST MARCH 2009 Rupees.
<b><u>INCOME</u></b>		
Turnover	1940335221.00	0.00
Other Income 'I'	29916695.50	5594160.00
Increase /(Decrease) in Inventories 'J'	282623094.00	0.00
<b>TOTAL Rs.</b>	<b>2252875010.50</b>	<b>5594160.00</b>
<b><u>EXPENDITURE</u></b>		
Purchases 'K'	2206469458.00	0.00
Administrative Expenditure 'L'	16428333.50	423358.00
Financial Expenditure 'M'	14326436.16	26743.00
Others Expenditure 'N'	0.00	0.00
Depreciation 'O'	262134.00	252854.80
<b>TOTAL Rs.</b>	<b>2237486361.66</b>	<b>702955.80</b>
<b>PROFIT BEFORE TAX</b>	<b>15388648.84</b>	<b>4891204.20</b>
Less: Provision For Income Tax	4474416.00	0.00
Less: Provision For Deferred Tax	-44059.00	-12687.79
<b>PROFIT AFTER TAX</b>	<b>10958291.84</b>	<b>4903891.99</b>
Add: Balance Brought Forward From Previous Year	8758696.91	3854805.00
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>19716988.75</b>	<b>8758696.99</b>
<b><u>APPROPRIATION</u></b>		
Proposed Dividend	2510000.00	0.00
Tax on Proposed Dividend	426575.00	0.00
Balance Carried Forward To Balance Sheet	16780413.75	0.00
	<b>0.00</b>	<b>0.00</b>
<b>NOTES FORMING PART OF THE ACCOUNTS 'K'</b> <b>AS PER OUR ATTACHED REPORT OF EVEN DATE</b> <b>FOR RAJESH THAKKAR &amp; ASSOCIATES</b> Chartered Accountants		
Sd/-	Sd/-	Sd/-
<b>RAJESH THAKKAR</b> Proprietor Memb No. 108714, PAN : ABDPT7940E	<b>MANISH JANANI</b> DIRECTOR	<b>DIPAN PATWA</b> DIRECTOR
<b>MUMBAI : 20TH JUNE' 2010</b>	<b>MUMBAI : 20TH JUNE' 2010</b>	

**MALOO GEMS & JEWELLERY LIMITED****SCHEDULE 'A' TO 'K' ANNEXED TO AND FORMING PART OF THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 2010.**

	31ST MARCH 2010	31ST MARCH 2009
	Rupees.	Rupees.
<b><u>SCHEDULE : A</u></b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
20000000 Equity Shares of Rs.10/- Each	200000000.00	55000000.00
<b>ISSUED,SUBSCRIBED AND PAID-UP CAPITAL</b>		
5020000 Equity Shares of Rs.10/- Each fully paid	50200000.00	50200000.00
<b>Total Rs.</b>	<b>50200000.00</b>	<b>50200000.00</b>
<b><u>SCHEDULE : B</u></b>		
<b>RESERVES &amp; SURPLUS</b>		
Share Premium	0.00	0.00
Profit and Loss Account	16780413.75	8758697.00
<b>Total Rs.</b>	<b>16780413.75</b>	<b>8758697.00</b>
<b><u>SCHEDULE : C</u></b>		
<b>SECURED LOANS</b>		
From Banks	1814640936.92	0.00
(as per groupings attached to financial Statement)		
<b>Total Rs.</b>	<b>1814640936.92</b>	<b>0.00</b>
<b>UNSECURED LOANS</b>		
Inter Corporate Loans	706590329.00	22519400.00
(as per groupings attached to financial Statement)		
<b>Total Rs.</b>	<b>706590329.00</b>	<b>22519400.00</b>
<b>Grand Total Rs.</b>	<b>2521231265.92</b>	<b>22519400.00</b>
<b><u>SCHEDULE : D</u></b>		
<b>INVESTMENTS</b>		
Kotak Fmp 12M series 8	0.00	40000000.00
Tribhuvan Lease & finance Pvt Ltd	0.00	501000.00
Kotak Monthly Plan series -2 D.DI	0.00	9622405.00
Kotak Flexi debt	0.00	13044291.00
Reliance Infrastructure fund	1000000.00	0.00
Investment in Kingfisher shares at cost	4866222.00	0.00
(Market value is higher than cost)	0.00	0.00
<b>Total Rs.</b>	<b>5866222.00</b>	<b>63167696.00</b>
<b><u>SCHEDULE : E SUNDRY DEBTORS</u></b>		
More than 6 months	0.00	2040531.00
Less than 6 Months	747824005.00	139969.00
	<b>747824005.00</b>	<b>2180500.00</b>

**SCHEDULE : F CASH AND BANK BALANCE**

Cash on Hand	738806.00	660090.00
Oriental Bank Auto Sweep A/c	1327421.00	0.00
Fixed Deposit with Bank	1860050000.00	

(as per groupings attached to financial Statement)

**Bank Account**

Idbi Bank Ltd	99800.00	0.00
Indusind Bank	18279141.67	0.00
Orintla bank Ltd	18236.00	8890.00
Nutan Nagarik Sahakari Bank Ltd	5089.00	5089.00
Axis Bank	15178825.00	1317467.00
	<b>1895697318.67</b>	<b>1991536.00</b>

**SCHEDULE : G CASH AND BANK BALANCE****CURRENT ASSETS , LOANS AND ADVANCES**

Deposits & Advances	242171.00	179171.00
<b><u>Taxes paid</u></b>		0.00
Advance Tax	2500000.00	0.00
T.d.s on F.D. Int	2164132.00	0.00

	4664132.00	0.00
Accrued Interest	19123348.00	0.00
Advances Recoverable in cash or kind	1212881400.00	12809326.00

(as per groupings attached to financial Statement)

**Total Rs.****1236911051.00****12988497.00****SCHEDULE : H****CURRENT LIABILITIES & PROVISIONS****CURRENT LIABILITIES**

Sundry Creditors	304382034.00	662987.00
Other Liabilities	1270807491.00	1805.00

(as per groupings attached to financial Statement)

1575189525.00

**Provisions**

Provision for Income Tax	4474416.00
Proposed Dividend	2510000.00
Dividend Distribution Tax Payable	426575.00
T.D.S. Payable	526424.00

7937415.00

**Total Rs.****1583126940.00****664792.00****SCHEDULE : I****OTHER INCOME**

Exchange Rate Difference	5688472.00	0.00
Forward Premium Export	494585.00	0.00
Dividend	1928693.50	5614444.00
Interest on Fdr	21379455.00	0.00
Profit on Forward Contract	425490.00	0.00
Short Term Capital Gain/Loss on Mutual Fund	0.00	-29714.00
Profit /(Loss) on Sale of Share	0.00	-1250.00
Other Income	0.00	10680.00

**Total Rs.****29916695.50****5594160.00**

**SCHEDULE : J****ACCRETION/(DECRETION) OF INVENTORIES**

Opening Stock	0.00	0.00
Less : Closing stock	282623094.00	0.00
<b>Total Rs.</b>	<b>282623094.00</b>	<b>0.00</b>

**SCHEDULE : K****PURCHASES OF TRADED GOODS**

Purchase	2200258056.00	0.00
Clearing & forwarding Charges	721424.00	0.00
Labour Charges (Paid)	5489978.00	0.00
<b>Total Rs.</b>	<b>2206469458.00</b>	<b>0.00</b>

**SCHEDULE : L****ADMINISTRATION EXPENSES**

Advertising Exp	0.00	5250.00
Accounting Chgs	0.00	5000.00
Auditor Remuneration	20000.00	5000.00
CDSL Fees	56253.00	0.00
Conveyance Exp	19763.00	0.00
Commission & Brokerage	4885616.00	0.00
Discount Allowed	45184.00	0.00
Donation	6000.00	0.00
Deffered Revenue Exp W/off	240800.00	0.00
Electricity Charges	28888.00	0.00
Forward Premium	8355020.00	0.00
Insurance Chgs	122389.50	0.00
Listing Fees	65200.00	384608.00
Office General Exp	21818.00	0.00
Professional Fees	2069988.00	0.00
Profession Tax	2500.00	0.00
Printing & Stationery	17450.00	0.00
Rent A/c	326000.00	0.00
Legal charges	12155.00	23500.00
Salaries	130000.00	0.00
Telephone Chgs	3309.00	0.00
<b>Total Rs.</b>	<b>16428333.50</b>	<b>423358.00</b>

**SCHEDULE : M****FINANCIAL EXPENSES**

Bank Charges	7070741.49	16474.00
Bank Interest	5500963.67	10269.00
Interest Paid	1754731.00	0.00
<b>Total Rs.</b>	<b>14326436.16</b>	<b>26743.00</b>

**SCHEDULE : N****OTHER EXPENSES**

Short Term Capital Loss	0.00	0.00
<b>Total Rs.</b>	<b>0.00</b>	<b>0.00</b>

**SCHEDULE : 'O'**  
**MALOO GEMS & JEWELLERY LIMITED.**  
**FIXED ASSETS SCHEDULE AS ON 31ST MARCH 2010.**

SR. NO.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS ON 01/04/2009	ADDITIONS DURING THE YEAR	DEDUCTION DURING THE YEAR	AS ON 31/03/2010	AS ON 01/04/2009	ADJUSTMENT FOR THE YEAR	DEPRECIATION FOR THE YEAR	UPTO 31/03/2010	AS ON 31/03/2010	AS ON 31/03/2009
1	Air Conditions	84,539	-	-	84,539	35,544	-	4,016	39,560	44,979	48,995
2	Aquaguard	6,888	-	-	6,888	2,891	-	327	3,218	3,670	3,997
3	Furniture & Fixture	1,947,500	-	-	1,947,500	1,051,996	-	123,277	1,175,273	772,227	895,504
4	Motor Car	1,300,000	-	-	1,300,000	494,000	-	123,500	617,500	682,500	806,000
5	Office Equipments	20,093	-	-	20,093	7,952	-	954	8,906	11,187	12,141
6	Water coolers	16,439	-	-	16,439	6,906	-	781	7,687	8,752	9,533
7	Computers	-	57,240	-	57,240	-	-	9,279	9,279	47,961	-
	<b>TOTAL RUPEES</b>	3,375,459	57,240	0	3,432,699	1,599,289	0	262,134	1,861,423	1,571,276	1,776,170
	<b>PREVIOUS YEAR</b>	3,375,459	-	-	3,375,459	1,346,434	252,855	0	1,599,289	1,776,170	2,029,025

## **MALOO GEMS & JEWELLERY LIMITED.**

### **SCHEDULE 'P'**

#### **NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

##### **1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:**

**(i) Basis of Accounting :**

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, The Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 of the India (the Act) and the relevant provisions of the Act.

**(ii) Fixed Assets :**

Fixed assets are carried at cost of acquisition or construction including incidental expenses related to acquisition and installation on concerned assets, less accumulated depreciation and amortizations

**(iii) Depreciation :**

The company has provided depreciation on Straight Line Value Method at the rates specified in Schedule XIV of the Companies Act, 1956.

**(iv) Investments :**

Long –Term Investments are valued at cost. Current investments are valued at lower of cost and fair value as on the date of Balance Sheet. The group provides for diminution in value of investments, other than temporary in nature.

**(v) Revenue Recognition :**

- (a) Sales, net of taxes, are accounted for when property in the goods is transferred to the customers.
- (b) Dividend is recognized, when the right to receive the dividend arises.
- (c) Items of Income/Expenditure are recognized on accrual basis, unless otherwise stated.

**(vi) Preliminary Expenses :**

Preliminary Expenditure are amortized over a period of five years

**(vii) Foreign Currency Transactions :**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transactions dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Profit and loss Account. Foreign currency denominated monetary assets and liabilities at the year-end are translated at the year-end exchange rates recognized in the profit and loss Account. Non Monetary foreign currency items are carried at cost.

**(viii) Taxation :**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax for timing differences between the income as per financial statement and income as per the Income Tax Act, 1961 is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax assets arising from the timing differences are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(ix) Other Accounting Policies :**

These are consistent with the generally accepted accounting practices.

**(x) Treatment of Contingent Liability :**

The Company recognizes a provision when there is a present obligation as result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a

present obligation or a present obligation that may, but probably will not, require an outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ is made.

**(xi) Disclosure of Related Parties :**

Related Party Disclosure, as required by Accounting Standard– 18, “Related Party Disclosures” are given below : No related Party transactions recorded during year.

**(xii) Segment Information :**

In accordance with the requirements of Accounting Standards-17 “ Segment Reporting” the Company’s Business Segment is “Trading & working on diamonds”. As the company operates in only one segment, Segment Reporting as per Accounting Standard – 17 is not applicable.

**(xiv) Lease Accounting :**

No equipment and any other object is taken on lease.

**(xv) Other /Contingencies :**

**(xx) Inventories :**

Raw materials are valued at cost or net realizable value whichever is lower. Cost is computed using First in first out method. Work in progress the cost of purchase, appropriate share of conversion and Other overheads incurred in bringing the inventories to its present location and condition. Finished Goods includes cost of purchase ,cost of conversion and other overhead incurred in bringing the Inventory to its present location and condition.

**2)OTHER NOTES :**

**Direct/Indirect Taxes**

Represents estimates made for probable liabilities arising out of pending disputes/litigations with Various tax authorities. The timing of the outflow with regard to the said matter depends on the Exhaustion of remedies available to the Company under the law and hence the Company is not Ascertain the timing of the outflow.

**STOCK & TURNOVER**

**Quantitative details of materials:**

**Rough Diamonds**

Opening Stock	Nil
Purchases	188795.54
Issued for	(25779.05)
Manufacturing	
Sales	(119976.55)
Closing Stock	43039.94

**Polished Diamonds**

Opening Stock	
Purchases	110069.85
Manufactured	6344.72
Sales	(96092.37)
Closing Stock	20322.20

**Deferred Taxation**

The major components of deferred taxation arising out of timing differences are :-

Liabilities	As at 31 <sup>st</sup> March,2010	As at 31 <sup>st</sup> March,2009
Depreciation	-44059	-12687
<b>Net Deferred Tax Liability</b>	<b>-44059</b>	<b>-12687</b>



(xviii) The amount due to Micro and Small enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act,2006’ – No amount is due to any Micro or Small enterprise.

<b>Earnings Per Share :</b>	<b>31<sup>st</sup> March,2010</b>	<b>31<sup>st</sup> March,2009</b>
Profit after Taxation (Rs.)	10958292	4903891
Weighted average number of shares (Nos.)	5020000	5020000
Nominal value of shares outstanding (Rs.)	10.00	10.00
Basic and Diluted Earnings Per Share (Rs.)	2.18	0.98

Foreign Currency Earning and Outgo:-

Foreign Currency Earnings      137045157/-

Foreign Currency Outgo      2186542825/-

Previous year figures have been regrouped wherever considered necessary to make them comparable with those of the current year.

For Rajesh Thakkar & Associates  
Chartered Accountants

For and on behalf of the Board

**Sd/-**  
Rajesh Thakkar  
Proprietor  
Membership No. 108714  
Place: Mumbai  
Date: 20-06-2010

**Sd/-**  
Manish Janani  
Director

**Sd/-**  
Dipan Patwa.  
Director

**MALOO GEMS & JEWELLERY LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010**

(Currency - Rupees)

	31-Mar-2010	31-Mar-2009
<b>A Cash flow from operating activities</b>		
Net profit before Tax	15,388,649	4,891,204
Adjustments for:		
Depreciation	262,134	252,855
Interest paid	1,754,731	
Preliminary Expenses w/off	240,800	
Interest Received	(21,379,455)	-
Dividend Received	(1,928,694)	(5,614,444)
	(21,050,484)	(5,361,589)
<b>Operating profit before working capital changes</b>	(5,661,835)	(470,385)
Decrease/(Increase) in Current Assets	(2,256,567,649)	250,287
Increase in Outstanding Liabilities	1,574,965,617	1,805
Increase / (Decrease) in other liabilities		(57,790)
	(681,602,032)	194,302
<b>Cash generated from operations</b>	(687,263,867)	(276,083)
Taxation Adjustment Of Earlier Years		-
Income Tax Paid	4,664,132	-
<b>Net cash from operating activities</b>	(682,599,735)	(276,083)
<b>B Cash flow from investing activities:</b>		
Interest Received	21,379,455	
Dividend Received	1,928,694	5,614,444
Sale/(Purchase) of Investment	57,301,474	40,408,625
Increase in fixed Assets	(57,240)	-
<b>Net cash used in investing activities</b>	80,552,383	46,023,069
<b>C Cash flow from financing activities</b>		
Capital raised during the year	-	-
Increase/(decrease ) in Secured Loan Taken	1,814,640,937	(772,990)
Increase/(decrease ) in Loans	684,070,929	(44,010,000)
Interest Paid	(1,754,731)	
Preliminary Expenses	(1,204,000)	
Dividend Paid	-	-
Corporate Tax on dividend	-	-
<b>Net cash from financing activities</b>	2,495,753,135	(44,782,990)
<b>Net Increase/(Decrease ) in cash and cash equivalents</b>	1,893,705,783	963,996
Cash and cash equivalents (opening balance)	1,991,536	1,027,540
Cash and cash equivalents (closing balance)	1,895,697,319	1,991,536
As per our report of even date attached		
<b>FOR RAJESH THAKKAR &amp; ASSOCIATES</b>	<b>FOR MALOO GEMS &amp; JEWELLERY LIMITED</b>	
CHARTERED ACCOUNTANTS		
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>RAJESH THAKKAR</b>	<b>MANISH JANANI</b>	<b>DIPAN PATWA</b>
PROPRIETOR	DIRECTOR	DIRECTOR
<b>MUMBAI : 20TH JUNE' 2010</b>	<b>MUMBAI : 20TH JUNE' 2010</b>	

**MALOO GEMS & JEWELLERY LIMITED.****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****PURSUANT TO PART -IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.****I REGISTRATION DETAILS**

Resistration No. : 28270 State Code : 04

Balance Sheet Date : 31-03-2010.

**II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RUPEES )**

Public Issue : NIL Right Issue : NIL

Bonus Issue : NIL Private Placement : NIL

**III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS****(AMOUNT IN RUPEES )****TOTAL LIABILITIES : 2,588,329,227 TOTAL ASSETS 2,588,329,227****SOURCES OF FUNDS :**

Paid up Capital : 50,200,000 Reserves &amp; Surplus : 16,780,414

Secured Loans : 1,814,640,937 Unsecured Loans : 706,590,329

Deferred Tax Liability 117547.00

**APPLICATION OF FUNDS :**

Net Fixed Assets : 1,571,276 Investments 5,866,222

Net Current Assets : 2,579,928,529 Misc. Expenditure 963200.00

Accumulated Losses : 0

**IV PERFORMANCE OF THE COMPANY (AMOUNT IN RUPEES) :**

Turnover/other : 2,252,875,011 Total Expenditure 2,237,486,362

Income

Profit Before tax : 15,388,649 Profit After tax : 10,958,292

Earning Per Share 2.18 Dividend rate : 5%  
(In Rupees)**GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY  
(AS PER MONETARY TERMS)****Product Description**

I) Manufacturing &amp; trading in diamonds

**FOR RAJESH THAKKAR & ASSOCIATES  
CHARTERED ACCOUNTANTS****FOR MALOO GEMS & JEWELLERY LIMITED**

Sd/-

Sd/- Sd/-

RAJESH THAKKAR  
PROPRIETORMANISH JANANI DIPAN PATWA  
DIRECTOR DIRECTOR

MUMBAI : 20TH JUNE' 2010

MUMBAI : 20TH JUNE' 2010

**PROXY FORM**

Registered Folio No:

No of Shares held:

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member / Members of Maloo Gems & Jewellery Limited, hereby appoint Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ or failing him Shri / Smt. \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to vote for me/ us and on my/ us behalf at the 15<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> Day of September, 2010 at 11.30 a.m.

Signed by the said \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature: \_\_\_\_\_

**Affix Rs.  
1  
Revenue  
Stamp**

Applicable to the members holding shares in electronic form.

**NOTE:**

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

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**ATTENDANCE SLIP**

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below

Reg. Folio No:

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company held at 306, Mahavir Chambers, Taratia Hanuman Gally, Mahidhar Pura, Surat-395 003, Gujarat on the 30<sup>th</sup> Day of September, 2010 at 11.30 a.m.

Full Name of the Members/Proxy \_\_\_\_\_

(In Block Letters, to be filled in if the proxy attends instead of the Member)

\_\_\_\_\_  
Members/ Proxy Signature