

REPORT ON CORPORATE GOVERNANCE

Your Company has complied in all material respects with the Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange. A Report on the Corporate Governance compliance is furnished below :

(1) Company's Philosophy on Corporate Governance

Good Corporate Governance helps enhancement of long term shareholder value and interest of other stakeholders. This is achieved through increased awareness for responsibility, transparency and professionalism and focus on effective control and management of the organization. The Board of Directors of the Company is committed to the consistent adherence to the corporate governance code and constant review of the Board processes, practices and the Management systems to maintain a greater degree of responsibility and accountability.

Mandatory Requirements :

(2) Board of Directors

The details of composition of the Board of Directors, which is in line with the stipulated requirements, and other relevant details are given below.

(3) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of reference inter alia include overseeing financial reporting process, reviewing periodic financial results, financial statements, internal control and internal audit systems, accounting policies and practices, related party transactions, performance of internal and statutory auditors, adequacy of internal audit function, discussions with internal and statutory auditors.

During the year 2008-09, four Audit Committee meetings were held on 26.06.2008, 24.07.2008, 24.10.2008 and 24.01.2009.

The composition of the Audit Committee and other relevant details are given below :

Name of Director	Category	Profession	No. of meetings attended
Shri. S. S. Kasliwal, Chairman	Independent	Industrialist	4
Shri. Apurva Shah	Independent	Chartered Accountant	4
Shri. J. B. Shah	Independent	Business	2

Name of Director(s)	Category	No. of other directorship *	No. of Committee membership in all companies**		No. of Board Meetings attended	Attendance at last AGM
			Chairman	Member		
Shri Pradeep Kumar Godha	Chairman & Managing Director	Nil	Nil	1	5	Yes
Shri Anurag Godha	Vice-Chairman & Managing Director	Nil	Nil	1	4	Yes
Shri. Shambhukumar Kasliwal	Independent	3	1	Nil	5	Yes
Shri Apurva R. Shah	Independent	6	1	5	5	No
Shri. Jayant B. Shah	Independent	Nil	Nil	1	2	No
Shri. Tushar Mavani	Independent	1	1	Nil	5	No
Mr. Jeffrey K. Stern	Non-Executive	Nil	Nil	Nil	Nil	No

* excludes directorships held in private limited and overseas companies.

** includes Audit Committee & Shareholders' Grievance Committee only.

Board meetings : During the year 2008-09, five meetings were held on 28.05.2008, 26.06.2008, 24.07.2008, 24.10.2008 and 24.01.2009. The last Annual General Meeting (AGM) was held on 30.08.2008.

(4) Shareholders' Grievance Committee

Terms of Reference of the Committee inter alia cover review /redressal of status of investor' complaints/grievances, review of performance of the Registrar & Share Transfer Agent and also to direct measures for improvements in investor services. During the year 2008-09, no Committee meeting was held since only two complaints were received and resolved in the year. The composition of the Shareholders' Grievance Committee and other relevant details are given below :

Name of Director	Category
Shri. Tushar Mavani, Chairman	Independent
Shri. Pradeep Kumar Godha	Executive
Shri. Anurag Godha	Executive

Shareholders' Complaints : Complaint received and resolved during the year was 2(Two). No complaints were pending at the beginning or end of the financial year.

Number of pending share transfers as on 31.03.2009 was NIL. No request for dematerialisation was pending for approval as on 31.03.2009.

Name & Designation of Compliance Officer :

Shri. Pradeep Kumar Godha, Chairman and Managing Director.

(5) Remuneration of Directors

The Remuneration payable to the Directors is considered and approved by the Remuneration Committee constituted in accordance with the Corporate Governance Code and the provisions of the Companies Act, 1956, having due regard to the relevant factors. Non-executive Directors are paid Sitting fees at the rate of Rs.5000/- for each of the meetings of the Board or Committee thereof attended by them. The details of remuneration paid / payable to each Director for the year ended 31.03.2009 are as under:

(Figures in Rs.)

Name of Director(s)	Inter se Relation	Sitting Fees	Salary	Perquisites/ Allowances	Total
Shri Pradeep Godha	Brother of Anurag Godha	Nil	17,75,000	1,24,492	18,99,492
Shri Anurag Godha	Brother of Pradeep Godha	Nil	17,75,000	2,23,199	19,98,199
Shri.Shambhukumar Kasliwal	Nil	50000	Nil	Nil	50000
Shri Apurva R. Shah	Nil	50000	Nil	Nil	50000
Shri. Jayant B. Shah	Nil	25000	Nil	Nil	25000
Shri. Tushar Mavani	Nil	30000	Nil	Nil	30000
Mr. Jeffrey K. Stern	Nil	Nil	Nil	Nil	Nil

All executive Directors are reappointed under contracts each for a period of three year with effect from 01.09.2008 and with termination notice period of 90 days. All the executive Directors shall be entitled to compensation for loss of office

in accordance with and subject to the provisions of the Companies Act, 1956 in case their offices are terminated before expiration and shall not have any other claim for damages against the Company. None of the Directors have been issued or entitled to any stock options.

The Non-executive Directors, apart from receiving Directors' remuneration by way of sitting fees, approved by the Board of Directors within the limit fixed and approved by the shareholders, do not have any other material pecuniary relationship or transactions with the Company. None of the non-executive Directors hold any shares in the Company.

(6) General Body Meetings

Details of last three Annual General Meetings are as under :

Year	Day, Date & Time	Venue	Special Resolutions passed for
2006	Saturday, 23.09.2006 at 10.00 a.m.	G-37, Gem & Jewellery Complex, Building No. III, SEEPZ, Andheri (East), Mumbai 400 096	- Approval for increase of authorised share capital and consequent amendment of Memorandum & Articles of Association - Approval for issue of further shares/securities u/s 81(1A)
2007	Tuesday, 28.08.2007 at 10.00 a.m.	-Do-	- Approval for issue of further shares/securities u/s 81(1A) - Approval to hold office of profit u/s 314(1)
2008	Saturday, 30.08.2008 at 10.00 a.m.	-Do-	- Approval of reappointment of Shri Pradeep Godha as Managing Director for three years w.e.f. 01.09.2008 - Approval of reappointment of Shri Anurag Godha as Managing Director for three years w.e.f. 01.09.2008 - Approval for issue of further shares/securities u/s 81(1A)

During the last year, the Company has not conducted any Postal Ballot .

(7) Disclosures

(a) The Code of Conduct for the Directors and the senior management of the Company has been laid down by the Board. The Code has been posted on the website of the Company. All the Board members and senior management of the Company have affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director is annexed hereto.

(b) The Company has continued to comply with the requirements of Stock Exchange, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the said authorities relating to the above.

(c) Transactions with related party are disclosed in the schedule 'N' - Notes to Accounts to the Annual Accounts in the Annual Report. There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

(8) Means of Communication

The quarterly results were published in Free Press Journal (English Newspaper) and Navshakti (Marathi Newspaper).

These results, official news releases are available on the website of the Bombay Stock Exchange Ltd. (www.bseindia.com) and the website of Securities and Exchange Board of India (SEBI) on (www.sebiedifar.nic.in)

All data required to be filed electronically pursuant to Clause 51 of the Listing Agreement with the Stock Exchanges, such as annual report, quarterly financial statements, Shareholding pattern, report on corporate governance are being regularly filed on the EDIFAR website viz. www.sebiedifar.nic.in in addition to the filing of the same with the stock exchanges.

(9) General Shareholders Information

1. 36th Annual General Meeting – Day, Date, Time and Venue

Day	Date	Time	Venue
Friday	21.08.2009	3.00 p.m.	G-37, Gems & Jewellery Complex, Building No. 3, SEEPZ, Andheri (East), Mumbai – 400 096

2. Financial Calendar

Financial Year	1st April to 31st March
Adoption of Quarterly Results	3 rd or 4 th week of the month following each calendar quarter
Dates of Book Closure (Both days inclusive)	18.08.2009 to 21.08.2009 (both days inclusive)

3. Listing & Liquidity on Stock Exchanges: Bombay Stock Exchange Ltd.
Stock Code : 530989
(included under 'S' category)

Listing fees : The Company confirms that it has paid the annual listing fee to the Bombay Stock Exchange Ltd. where the shares of the Company are listed.

Dematerialisation status : Equity Shares of the Company are traded compulsorily in dematerialized form and available for trading in the depository systems of both NSDL and CDSL. Security Code No. with NSDL and CDSL is - ISIN INE 656D01015. As on 31st March, 2009, 24,22,881 Equity Shares representing 80.71 % of the Paid-up Share Capital of the Company is held in dematerialized form.

4. Share Transfer Agents & Address for correspondence :
M/s Bigshare Services Private Limited
E-2 & 3, Ansa Industrial Estate, Sakinaka,
Andheri(E), Mumbai 400 072

The shareholders are requested to address all their communications/ suggestions/ grievances/ queries to the Share Transfer Agents at the above address.

5. Compliance Officer : **Shri. Pradeep Kumar Godha,**
Chairman & Managing Director
G-37, Gem & Jewellery Complex,
Building No. III, SEEPZ,
Andheri (East), Mumbai 400 096
Tel.: 28292749 /28290006
E-mail :
shantivijay@shantivijay.com

In accordance with the Clause 47(f) of the Listing agreement, the Company has created a specific **investor grievance e-mail ID : investors@shantivijay.com**

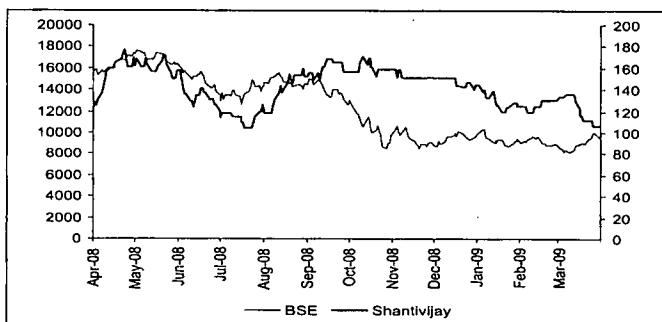
6. Share Transfer System :

To expedite the transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises of Shri. Pradeep Godha and Shri. Anurag Godha. Committee meets every fortnightly for approval of the transfer request, if any.

Reports on Share Transfer/transmission are placed before the Shareholders' Grievances Committee and the Board from time to time.

7. Market Price Data:

Month	Bombay Stock Exchange		
	High(Rs.)	Low(Rs.)	Volume
April 2008	177.00	120.00	5132
May 2008	175.90	143.55	1255
June 2008	150.00	119.95	1480
July 2008	126.00	99.35	310
August 2008	160.00	115.25	1015
September 2008	168.75	148.20	681
October 2008	179.55	151.10	46
November 2008	159.00	150.60	24
December 2008	147.25	135.95	39
January 2009	145.00	113.50	496
February 2009	133.75	119.35	170
March 2009	136.00	106.50	232



8. Shareholding Pattern as on 31.03.2009

Category	No. of Shares	%
Promoters - Indian	2794846	93.10
Non-promoters :		
Bodies Corporate	5401	0.18
NRI/OCBs	819	0.03
Public	141334	4.70
Foreign National	59600	1.99
Total	3002000	100.00

Distribution of Shareholding as on 31.03.2009

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
1-500	584	89.57	57464	1.91
501-1000	27	4.14	20435	0.68
1001-2000	14	2.15	21289	0.71
2001-3000	3	0.46	8389	0.28
3001-4000	4	0.61	13941	0.46
4001-5000	2	0.31	8941	0.30
5001-10000	3	0.46	20646	0.69
10001-99999999	15	2.30	2850895	94.97
TOTAL	652	100.00	3002000	100.00

9. Registered Office and Plant location : G-37, Gems & Jewellery Complex, Building No. III, SEEPZ, Andheri (East), Mumbai – 400 096.

10. Outstanding Convertible Instruments

There are no outstanding convertible instruments. Convertible into in to equity shares.

11. CEO/CFO Certification

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Shri. Pradeep Godha Chairman & Managing Director (CEO) and Shri. Anurag Godha, Vice Chairman & Managing Director (CFO) was placed at the meeting of the Board of Directors held on 27.06.2009.

Non-Mandatory Requirements**Remuneration Committee**

The Remuneration Committee comprised of Shri. Shambhukumar Kasliwal, Chairman of the Committee, Shri. Tushar Mavani, Shri. Apurva Shah and Shri. Jayant Shah all of which are independent Directors. One Remuneration Committee meeting was held on 26.06.2008 which was attended by all the members. Terms of Reference of this Committee include mandate to review and recommend/approve remuneration payable to the Managerial Personnel.

CEO's Certification

All the Directors and the Senior Management Personnel have affirmed compliance of the Code of Conduct laid down by the Board of Directors in terms of Clause 49 of the Listing Agreement made with the Stock Exchange.

Place: Mumbai.

Dated : 27th June, 2009

BY ORDER OF THE BOARD

Sd/-

PRADEEP KUMAR GODHA
CHAIRMAN & MANAGING DIRECTOR

Auditors' Certificate on Corporate Governance

To the Members of
Shantivijay Jewels Limited
Mumbai

We have examined the compliance of conditions of corporate governance by Shantivijay Jewels Limited for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the 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 opinion on the financial statements 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 taken steps to comply with the conditions of Corporate

Governance as stipulated in the above mentioned Listing Agreement.

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

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

For B.F. CHORDIA & CO.
Chartered Accountants

Sd/-

(B.F. Chordia)
Proprietor

Place: Mumbai.

Date: June 27, 2009.