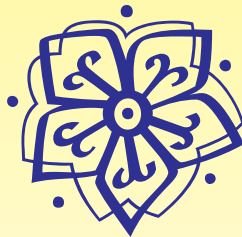


**19<sup>th</sup> Annual Report 2012 - 2013**



**Anugraha Jewellers  
Limited**

# **Anugraha Jewellers Limited**

*19<sup>th</sup> Annual Report 2012 - 2013*

## **BOARD OF DIRECTORS**

Anand Loganathan	Chairman & Managing Director
K. R. Loganathan	Executive Director
B. Venodhini	Executive Director
Iyer Hariharan Jayaraman	Independent Director
Pramilla Hariharan	Independent Director
Arun Kr. Nagarajan	Independent Director
Ashok K Bothra	Independent Director
Sundaram Sankaranarayanan	Independent Director
B. Sasi	Independent Director

## **AUDITORS**

M/s. Gurubatham & Associates  
Chartered Accountants  
Coimbatore - 641 045

## **BANKERS**

Indian Overseas Bank

## **REGISTERED OFFICE**

473, Big Bazaar Street  
Coimbatore - 641 001

## **REGISTRAR & SHARE TRANSFER AGENT**

M/s. Cameo Corporate Services Ltd.  
Subramaniam Building  
1, Club House Road  
Chennai-600 002

## **ANNUAL GENERAL MEETING**

Date : 25th July, 2013  
Time : 10.00 A.M.  
Venue : 473, Big Bazaar Street  
Coimbatore - 641 001  
Tamil Nadu

## **C O N T E N T S**

★	Notice
★	Directors' Report
★	Management Discussion & Analysis
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★	Auditors' Certificate on Corporate Governance
★	Secretarial Compliance Report
★	Auditors' Report
★	Balance Sheet
★	Statement of Profit & Loss Account
★	Statement of Cash Flow
★	Notes on Financial Statements

**Members are requested to bring their copy of Annual Report at the time of Meeting**

**NOTICE**

Notice is hereby given that the 19th Annual General Meeting of the members of ANUGRAHA JEWELLERS LIMITED will be held on Thursday, 25th July, 2013 at 10.00 A.M. at 473, Big Bazaar Street, Coimbatore - 641 001 to transact following business as:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2013.
2. To consider and thought fit, to pass, with or without modification(s), the following Resolution, in respect of the vacancy caused by the retirement of Mr. Iyer Hariharan Jayaraman, retires by rotation and has expressed his inability for re-appointment, which is not proposed to be filled-up, as an Ordinary Resolution:

**"RESOLVED THAT** Mr. Iyer Hariharan Jayaraman who retires by rotation and has expressed his inability for re-appointment, be not re-appointed and that the vacancy caused thereby be not filled up."

3. To consider and thought fit, to pass, with or without modification(s), the following Resolution, in respect of the vacancy caused by the retirement of Mrs. Pramilla Hariharan, retires by rotation and has expressed her inability for re-appointment, which is not proposed to be filled-up, as an Ordinary Resolution:

**"RESOLVED THAT** Mrs. Pramilla Hariharan who retires by rotation and has expressed her inability for re-appointment, be not re-appointed and that the vacancy caused thereby be not filled up."

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

**"RESOLVED THAT** M/s. Pradeep Gupta, Chartered Accountants, be and is hereby appointed as Auditor of the Company from the conclusion of this General Meeting and until the conclusion of the next Annual General Meeting and that the Board of Directors/Audit Committee of Directors of the Company be and is hereby authorized to fix their remuneration plus reimbursement of any out-of-pocket expenses that may be incurred, in connection with the audit."

M/s. Pradeep Gupta have intimated the Company that, if appointed, their appointment will be within the limit laid down under section 224 of the Companies Act, 1956.

**SPECIAL BUSINESS :**

5. To consider and if thought fit, to pass with our without modification(s), the following as a Special Resolution :

**"Resolved that** pursuant to the provisions of Section 269, 198, 309, 310, 311 and all other applicable

provisions of the Companies Act, 1956 ("the Act")(including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and Articles of Association of the Company, and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Ms. B. Venodhini as the Managing Director and Chief Executive Officer ("the Managing Director") of the Company for a period of 2 years with effect from 10th June 2013 and up to the 9th June 2015 on the remuneration and other terms and conditions as decided by the Committee/Board in the matter."

**"Resolved further that** for the purpose of giving effect to this Resolution, the Board of Directors of the Company (hereinafter referred to as "Board") be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

6. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

**"RESOLVED THAT** Pursuant to the provisions of Section 260 and all other applicable provisions of the Companies Act, 1956 (the Act) and in terms of Article 87 of the Articles of Association of the Company, Mr. Sundaram Sankaranarayanan, who was appointed as an Additional Director of the Company at the Board meeting held on 29th May 2013 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 260 of the Act, and in whose respect the Company has received a notice from a member under Section 257 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Sundaram Sankaranarayanan for the office of Director of the Company be and is hereby appointed as Non-Executive, Independent Director of the Company."

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
3. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd July 2013 to 25th July 2013 (both days inclusive).
4. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id **anugrahajewellersltd@gmail.com** for quick and prompt redressal of their grievances.

5. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
6. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
7. Members are requested to intimate change in their address immediately to M/s Cameo Corporate Services Ltd., the Company's Registrar and Share Transfer Agents, at their office at Subramanium Building, 1, Club House Road, Chennai-600 002.
8. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Cameo Corporate Services Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
9. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
10. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Cameo Corporate Services Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
11. Members are requested to bring copies of Annual Report to the Annual General Meeting.
12. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
13. Members are requested to quote Folio Number/DP ID & Client ID in their correspondence.
14. The Equity shares of the Company are listed on BSE Limited and Madras Stock Exchange and Listing Fees for the financial year 2013-2014 have been paid to BSE Limited.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

The Board of Directors of your Company appointed Ms. B. Venodhini as an Additional - Executive Director of your Company at the Board meeting held on 29th May 2013 to broad base the Board.

Ms. B. Venodhini, Age 32, B.C.S. (Corporate Secretary ship) has vast knowledge and rich experience in Secretarial, Financial & Income Tax related activities as well as expertise in Accounting and Taxation. It will be advantageous for the Company to avail her valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Ms. B. Venodhini for the office of Executive Director of the Company.

Brief Bio-data of Ms. B. Venodhini has been annexed herewith this notice.

Except Ms. B. Venodhini in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

**Item No. 6**

The Board of Directors of your Company appointed Mr. Sundaram Sankaranarayanan as s Additional Director (Non-Executive) of your Company at the Board meeting held on 29th May 2013 to broad base the Board.

Mr. Sundaram Sankaranarayanan, Age 56, M.B.A, Diploma in Ind. Engineering, has more than 2 decades of experience in corporate functioning and has served at various senior capacities with leading MNCs and is currently involved in developing strategies and systems for corporate to optimize their efficiency. He is also involved in valuing tangible and intangible assets including enterprise valuation. It will be advantageous for the Company to avail his valuable services and rich experience. Your Company has received notices from members pursuant to section 257 of the Act, 1956 together with necessary deposit proposing the candidature of Mr. Sundaram Sankaranarayanan for the office of Director of the Company.

Brief Bio-data of Mr. Sundaram Sankaranarayanan has been annexed herewith this notice.

Except Mr. Sundaram Sankaranarayanan in his respective appointment, no other Director is concerned or interested in his appointment as Directors of the Company.

**Details of Director seeking re-appointment in the 19th Annual General Meeting on 25th July 2013 (in term of Clause 49 of the Listing Agreement)**

<b>B Venodhini</b> Fathers' Name	M Babu
Date of Birth	4th June 1981
Date of Appointment	29th May 2013
Expertise in specific functional areas	Secretarial, Financial & Income Tax related activities as well as expertise in Accounting and Taxation.
Years of Experience	13 Years
Qualifications	B.C.S. (Corporate Secretary ship)
List of outside Directorship held	Not a Director in any Listed Co.
Member of Committee on the Board	Not Any
Member/Chairman of Committee in other Companies	Not Any
No. of Shares held in own name or in the name of Relatives	Nil

<b>Sundaram Sankaranarayanan</b> Fathers' Name	Vaidyanathan Sankaranarayanan
Date of Birth	22nd February 1957
Date of Appointment	29th May 2013
Expertise in specific functional areas	He is having more than 2 decades of experience in corporate functioning and has served at various senior capacities with leading MNCs and is currently involved in developing strategies and systems for corporate to optimize their efficiency.
Years of Experience	35 Years
Qualifications	M.B.A, Diploma in Ind. Engineering
List of outside Directorship held (In Listed Cos.)	1. Qpro Infotech Limited 2. Meenakshi Enterprises Limited
Member of Committee on the Board	Not Any
Member/Chairman of Committee in other Companies	Member of Audit Committee and Remuneration Committee in Meenakshi Enterprises Limited
No. of Shares held in own name or in the name of Relatives	Nil

Coimbatore, May 29, 2013

By order of the Board  
For **ANUGRAHA JEWELLERS LIMITED**

Registered Office :  
473, Big Bazaar Street  
Coimbatore - 641 001

**ANAND LOGANATHAN**  
Chairman & Managing Director

**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in presenting the 19th Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

(₹ in Lacs)

<b>Financial Results</b>	<b>Year Ended 31.03.2013</b>	<b>Year Ended 31.03.2012</b>
Sales / Income	33.57	14.87
Profit / (Loss) before Tax & extraordinary item	-6.96	-0.28
Less : Provision for Taxation	0.09	0.01
Profit / (Loss) after Tax	-7.05	-0.29
Add : Profit / (Loss) brought forward from Previous Year	-234.40	-234.11
Balance of Losses carried forward	-241.45	-234.40

**OVERVIEW OF ECONOMY**

According to the latest estimates, Indian Economy grew by 5% in FY 2013, reflecting lower than expected growth in both industry and services sectors. Inflation also was at elevated levels. However with commodity and crude oil prices on the decline from the peak and with various policy initiatives coming through, the Economy is estimated to grow by around 6% in FY2014 with lower Inflation.

**OVERALL PERFORMANCE & OUTLOOK**

The Business environment remains extremely challenging and the recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2012-2013.

Due to sluggishness in economy and lack of demand by consumers, Gross income from operations remained at ₹ 33.57 Lac in comparison to last years' figure of ₹ 14.87 Lac. In term of Net Loss, the same has been widened during the year and was of ₹ 7.05 Lac in comparison to last years' net loss of ₹ 0.29 Lac.

The Company is in to the Business of trading of Gold & Diamond Jewellery through its retail outlets.

The company is willing to change the nature of activities considering the too competitive Jewellery trade in Coimbatore. Further, your Directors are exploring other options for undertaking new activities in the future.

**DIVIDEND**

Due to losses during the year and also due to carried forward losses, your Company do not recommend any Dividend during the year under review.



**SUBSIDIARY COMPANY**

The Company does not have any subsidiary.

**MANAGEMENT DISCUSSION & ANALYSIS**

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

**MANAGEMENT**

There is no Change in Management of the Company during the year under review.

**DIRECTORS**

During the Year, with effect from 29th May 2013, Ms. B. Venodhini and Mr. Sundaram Sankaranarayanan have been appointed as Executive and Independent Directors of the Company respectively to broad base the Board; are liable to retire in ensuring Annual General Meeting and are eligible, offers themselves for re-appointment in next Annual General Meeting.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended 31st March 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Directors had prepared the annual accounts on a going concern basis as stated in Note 21 of Notes on accounts.

**STATUTORY INFORMATION**

The Company being basically in the business of trading of Gold & Diamond Jewellery, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

**INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in information & technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has entered into alliances/tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

**RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

**AUDITORS**

Existing Auditors M/s. Gurubatham & Associates who are retiring in ensuring Annual General Meeting have expressed their un-willingness to re-appoint as Auditors of the Company.

In place of existing Auditors, the Board has appointed M/s Pradeep Gupta, Chartered Accountants, Mumbai for financial year 2013-2014. Your Company has received certificate from the Auditors u/s 224(1B) of the Companies Act, 1956 to the effect that their appointment if made, will be within the limit prescribed. The shareholders are requested to appoint Auditors and fix their remuneration.

**COMMENTS ON AUDITOR'S REPORT :**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial throughout the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1975 is reported to be NIL.

**PARTICULARS UNDER SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956**

The Company is having into the business of trading of Gold & Silver Jewellery during the year under review and hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be NIL.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

## **PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

## **REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

## **APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Coimbatore, May 29, 2013

By order of the Board  
For **ANUGRAHA JEWELLERS LIMITED**

Registered Office :  
473, Big Bazaar Street,  
Coimbatore - 641 001

**ANAND LOGANATHAN**  
Chairman & Managing Director

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**MANAGEMENT DISCUSSION & ANALYSIS****MACRO ECONOMIC ENVIRONMENT**

The year 2012 had been a year of slow growth world over and as per IMF forecast Global Economy is likely to show a growth of 3.3% during 2013 as compared to growth of 3.2% during 2012. The Global Economies witnessed a subdued growth with diverging growth paths across major economies. US economy which has registered a modest recovery is again subject to the adverse impact of the budget sequestration which will gradually gain pace during 2013. Japan's economy has shown signs of improvement on account of monetary and fiscal stimulus undertaken. The sovereign debt crises and the danger of a banking system meltdown in peripheral euro zone countries coupled with contraction in its major economies like Germany has resulted in negative growth in Euro zone.

The growth in the Emerging Market Economies which are viewed as growth engines of the world economy world over; have also slowed down with Brazil and South Africa registering accelerated growth where as Russia, China and India a lower growth.

According to the Central Statistics Office's advance estimate of GDP growth, Indian Economy is expected to grow at 5% during the year 2012-13 as compared to a growth of 6.21% registered during 2011-12. This has been mainly on account of weak industrial activity compounded by domestic supply bottlenecks and slackening of external demand. This has also slowdown the growth in the service sector which has been the main driver of the growth.

The Reserve Bank of India in order to strike a balance in growth- inflation dynamics have initiated various measures during 2012-2013 to provide greater liquidity to financial system. This has resulted in moderating the headline inflation within its acceptable level. The food inflation as measured by new combined (rural and urban) consumer price index (CPI) remains in double digit is a cause of concern. The measures initiated are expected to result in moderate growth in GDP in the second half of 2013-2014.

**REVIEW OF OPERATIONS**

During Financial Year 2012-2013, the Company registered a gross sales/income of ₹ 33.57 Lac in comparison to last years' figure of ₹ 14.87 Lac. In term of Net Loss, the same has been widened during the year and was of ₹ 7.05 Lac in comparison to last years' net Loss of ₹ 0.29 Lac.

**BUSINESS SEGMENT**

The Company is operating in sole segment i.e. in to the Business of trading of Gold & Diamond Jewellery through its retail outlets.

**THREATS & OPPORTUNITIES**

Economic slowdown in the developed world has hit India's exports of cut and polished diamonds, as consumers shift to plain gold and silver jewellery from diamond-studded precious metal ornaments.

Data compiled by the apex trade body, the Gems & Jewellery Export Promotion Council (GJEPC), showed exports of cut and polished diamonds fell 28.92 per cent to ₹ 42,740.15 Crore in the first half (H1) of the current financial year, from ₹ 60,133.84 Crore in the corresponding period last year. Overall exports of cut and polished diamonds plunged in volume terms to 164.80 lakh carats in H1 2013 from 302.92 lakh carat in the same period last year.

During the same period, however, shipment of gold Jewellery jumped 129 per cent to ₹ 44,748.59 Crore from ₹ 19,547.14 Crore, while silver Jewellery exports rose 42 per cent to 2,157.32 Crore in the first half of the current fiscal from ₹ 1,516.53 Crore in the same period previous year. The shift assumes significance as diamond is considered a luxury item, while gold and silver are bought as safe haven investments in the form of protection during times of financial crises.

### **RISK MANAGEMENT**

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

### **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2012-2013, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

**CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

**CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years except re-instatement fees paid to BSE for revocation of suspension from trading in the Equity Shares of the Company.

Coimbatore, May 29, 2013

By order of the Board  
For **ANUGRAHA JEWELLERS LIMITED**

Registered Office :  
473, Big Bazaar Street,  
Coimbatore - 641 001

**ANAND LOGANATHAN**  
Chairman & Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT****COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

The goal is achieved through -

- Infusion of best expertise in the Board;
- Consistent monitoring and improvement of the human and physical resources;
- Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

**BOARD OF DIRECTORS****Composition of Directors**

The Board has nine members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

All the Directors are liable to retire by rotation as per Article 128 of the Article of Association and eligible for re-election.

None of the non-executive directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence. None of the directors are inter-se related to each other.

The Board of Directors met 7 times on 30th April, 29th June, 10th August, 29th October and 14th December in year 2012 and on 15th February and 15th March in the year 2013 during the financial year 2012-2013.

The composition and category of the Board of Directors as at March 31, 2013, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership in Listed Cos.	Committee Chairman Ship in Listed Cos.	No. of Directorship in other Listed Cos.
Anand Loganathan*	Managing Director	7	Yes	Nil	Nil	1
K. R. Loganathan	Executive Director	7	Yes	Nil	Nil	1
Iyer Hariharan Jayaraman	Independent Director	Nil	No	Nil	Nil	1
Pramilla Hariharan	Independent Director	Nil	No	Nil	Nil	1
Arun Kr. Nagarajan	Independent Director	7	Yes	Nil	Nil	Nil
B. Sasi	Independent Director	7	Yes	Nil	Nil	Nil
Ashok K Bothra	Independent Director	5	No	8	4	5
B. Venodhini	Independent Director	Nil	N.A.	Nil	Nil	Nil
Sundaram Sankaranarayanan	Independent Director	Nil	N.A.	2	Nil	2

\* Chairman of the Board

### AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of Anugraha Jewellers Ltd., (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, stock exchanges and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

### Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.



Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- a) to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- b) to review the Annual Budget;
- c) to take note of the significant decisions taken or important developments considered at the Management Committee/Working Board Meetings; and
- e) to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

### **Authority and Responsibilities**

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee -

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, 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.
9. Discussion with internal auditors any significant findings and follow up there on.
10. 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 systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, Audit Committee reviews the followings :

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v To review the annual financial statements and to recommend their adoption to the Board, with particular reference to disclosure of any related party transaction;
- vi To review the Quarterly financial statements and recommend their adoption to the Board; and
- vii The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on 30th April, 10th August, 28th September and 29th October in year 2012 and on 15th February in year 2013 during the financial year ended on 31st March 2013.

<b>Name</b>	<b>Number of Meetings Held</b>	<b>Meetings Attended</b>
Mr. Arun Kr. Nagarajan	5	5
Mr. B. Sasi	5	5
Mr. Anand Loganathan	5	5

\*Chairman of Committee

**REMUNERATION COMMITTEE**

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

**Details of Remuneration paid to Directors**

Sum of ₹ 84,000/- have been paid to Mr. Anand Loganathan, Managing Director, during the financial year 2012-2013.

No Stock option has been allotted to any of the Directors during the financial year 2012-2013.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

**SHARE TRANSFER COMMITTEE**

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. B. Sasi; Non-Executive Director with Executive Director namely Mr. Anand Loganathan & Mr. N. Arunkumar, Independent Director.

The members of Share Transfer Committee met 4 times on 30th April, 10th August and 29th October in year 2012 and on 15th February in year 2013 during the financial year ended on 31st March 2013.

Name	Number of Meetings Held	Meetings Attended
Mr. B. Sasi*	4	4
Mr. Anand Loganathan	4	4
Mr. Arun Kr. Nagarajan	4	4

\*Chairman of Committee

**INVESTOR GRIEVANCE COMMITTEE**

The Board of Anugraha Jewellers Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Cameo Corporate Services Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

**COMPLIANCE OFFICER**

The Company has appointed Mr. Anand Loganathan as a Compliance Officer within the meaning of Listing Agreement.

**COMPOSITION OF COMMITTEE AND MEETINGS ATTENDED**

During the year, four meetings of the Committee of Directors were held on 30th April, 10th August and 29th October in year 2012 and on 15th February in year 2013.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Meetings Attended</b>
Mr. B. Sasi*	Chairman	Independent, Non-Executive	4
Mr. Anand Loganathan	Member	Executive - Whole time	4
Mr. Arun Kr. Nagarajan	Member	Independent, Non-Executive	4

\*Chairman of Committee

**DETAILS OF SHAREHOLDERS' COMPLAINTS DURING THE YEAR**

There was Nil Complaint at the beginning of Financial Year. During the year the Company did not receive any complaint from any of its Members and there were Nil Complaints at the end of Financial Year ending on 31st March 2013.

Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is anugrahajewellersltd@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES section on SEBI website for faster addressing and resolutions of Investor Complaints.

**GENERAL BODY MEETINGS**

Location & time for the last three Annual General Meetings :

<b>Annual General Meeting</b>	<b>Date &amp; Time</b>	<b>Venue</b>
18th Annual General Meeting	28th September 2012, 4.30 PM	473, Big Bazaar Street Coimbatore - 641 001
17th Annual General Meeting	15th September 2011, 4.30 PM	473, Big Bazaar Street Coimbatore - 641 001
16th Annual General Meeting	30th September 2010, 4.30 PM	473, Big Bazaar Street Coimbatore - 641 001

**LOCATION AND TIME OF LAST TWO EXTRA-ORDINARY GENERAL MEETINGS :**

Details of Extra-Ordinary General Meetings held during last three financial years are as under :-

No Extra-Ordinary General Meetings was being held during last three financial years.

**POSTAL BALLOT**

A Resolution has been passed for Sale of Land & Building of the Company during the year under review.

No Resolution has being passed during remaining two out of three financial years through Postal Ballot Rules 2012.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

**SPECIAL RESOLUTION PASSED IN LAST THREE ANNUAL GENERAL MEETINGS:**

Special Resolution was passed in 18th Annual General Meeting held on 29th June 2012 for shareholders' approval for appointment of Mr. Ashok Bothra as Independent Director of the Company. The resolutions were passed unanimously and no voting was required to pass these resolutions.

**BOARD DISCLOSURES****Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the following :-

- Governance of Risk
- Identification of Risk
- Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

**DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

**INSIDER TRADING**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to

the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

## **DISCLOSURES**

- (a) There were no transactions with related party i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large. The details of the related Party transactions are disclosed under the notes on accounts, as required under the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise. However, trading in Equity Shares of the Company has been suspended on BSE due to non-compliance of Listing Agreement in past and thus penalty can be imposed by BSE for Revocation of Suspension from trading in Equity Shares of the Company.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof.
- (d) **Reconciliation of Share Capital** : A qualified Practicing Company Secretary carried out Reconciliation of Share Capital on quarterly basis to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## **CODE OF BUSINESS CONDUCT & ETHICS**

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

## **CONFLICT OF INTEREST**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members

of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

**DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) There was no case of Non-Compliance during financial year 2012-2013 (except in previous financial years due to which Equity Shares of the Company has been suspended from trading) in term of provisions of Listing Agreement entered into with BSE by the Company. Further, no penalties have been levied or actions have been taken by BSE or SEBI during last three years.
- d) The Company has complied with mandatory provisions of listing agreement during the year.
- e) The financial statements of the Company are unqualified.

**MEANS OF COMMUNICATIONS**

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers and in vernacular language Newspaper.
- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website [www.anugrahjewel.com](http://www.anugrahjewel.com).
- Official News releases have been posted on its web portal [www.anugrahjewel.com](http://www.anugrahjewel.com).
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

**GENERAL SHAREHOLDER INFORMATION**

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

**SHAREHOLDERS' INFORMATION****a. Next Annual General Meeting**

The information regarding 19th Annual General Meeting for the financial year ended on 31st March 2013 is as follows :-

Day & Date : Thursday, 25th July 2013  
Time : 10.00 A.M.  
Venue : 473, Big Bazaar Street, Coimbatore - 641 001

**b. Financial Year** : 1st April to 31st March.

**c. Future Calendar** :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2013	Mid of August, 2013
Financial Reporting of 2nd Quarter ended on 30th September 2013	Mid of November, 2013
Financial Reporting of 3rd Quarter ended on 31st December 2013	Mid of February 2014
Financial Reporting of 4th Quarter ended on 31st March 2014	During May 2014
Date of Annual General Meeting	During September 2014

**d. Date of Book Closure** : July 23 to July 25, 2013. (Both days inclusive)

**e. Dividend Payment Date** : No Dividend has been recommended during for the year.

**f. Listing of Shares** : Bombay & Madras Stock Exchanges

**g. Listing Fees** : Company has paid Annual listing Fees to BSE and Annual Custodial Fees to NSDL & CDSL for year 2013-2014.

**h. Stock Code & ISIN** : Scrip Code 530805 on BSE.  
ISIN - INE125F01616 on both NSDL & CDSL

**i. Market Price Data** : Equity Shares of the Company were suspended from Trading during Financial Year 2012-2013, thus Market Price data have not been provided.

**j. Registrar & Share Transfer Agent.**

M/s. Cameo Corporate Services Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of physical. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Cameo Corporate Services Ltd.  
Subramaniam Building, 1, Club House Road, Chennai-600 002  
Tel : 91-44 - 2846 0390, Fax : 91-44 - 2846 0129, Email : cameo@cameoindia.com



## k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, Cameo Corporate Services Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 15 days from the date of lodgment.

## l. Distribution of Shareholding as on 31st March, 2013

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-500	1921	70.55	501946	11.16
501-1000	420	15.42	369450	8.21
1001-2000	184	6.76	297600	6.61
2001-3000	58	2.13	150500	3.34
3001-4000	30	1.10	106800	2.37
4001-5000	25	0.92	120000	2.67
5001-10000	52	1.91	379600	8.44
10001 and Above	33	1.21	2574104	57.20
<b>Total....</b>	<b>2723</b>	<b>100.00</b>	<b>4500000</b>	<b>100.00</b>

## m. Shareholding Pattern as on 31st March 2013

Categories	No. of Shares	% of Shareholding
Promoters, Directors, Relatives & Person acting in concert	1409399	31.32
Indian Bank	0	0.00
Others (NRI)	2000	0.04
Hindu Undivided Family (HUF)	1000	0.02
Private Corporate Bodies	191300	4.25
Indian Public	2896301	64.37
<b>Total .....</b>	<b>4500000</b>	<b>100.00</b>

**n. Dematerialization of Equity Shares & Liquidity**

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

As on 31st March 2013, 12.26% Equity Shares of the Company are in dematerialized form.

**o. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**p. Requirement of PAN Card in case of Transfer of Shares in Physical Form**

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

**q. For the Attention of Shareholders holding shares in electronic form**

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

**r. Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**s. Service of Documents through Electronic Mode**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Ltd. to their dedicated e-mail id i.e., "cameo@cameoindia.com."

**t. Details on use of Public Funds Obtained in the last three years :**

No Fund has been raised during last three financial years.

**u. Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.

The Company will send notices/documents such as Annual Reports and notices by email to the shareholders registering their email address. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrar and Share Transfer Agent (RTA) M/s. Cameo Corporate Services Ltd.

While every notice/document will be sent through email address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

**v. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable.

**w. Investors' Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Anand Loganathan - anugrahjewellersltd@gmail.com

**x. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**y. Address for Correspondence**

ANUGRAHA JEWELLERS LIMITED

473, Big Bazaar Street, Coimbatore - 641 001

URL : [www.anugrahjewel.com](http://www.anugrahjewel.com)

**CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

The Members of  
**ANUGRAHA JEWELLERS LIMITED**

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief, we certify that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a 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 their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware 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
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) 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 financial reporting.

For **Anugraha Jewellers Limited**

S/d-

**Anand Loganathan**  
Chairman & Managing Director

**ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING  
AGREEMENT WITH THE STOCK EXCHANGES**

I, Anand Loganathan, Chairman & Managing Director of the **M/s. Anugraha Jewellers Limited** declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2013.

For **Anugraha Jewellers Limited**

S/d-

**Anand Loganathan**  
Chairman & Managing Director

**SECRETARIAL COMPLIANCE REPORT****FORM****COMPLIANCE CERTIFICATE**

[See Rule 3 of Companies (Compliance Certificate) Rules, 2001]

To  
The Members  
**M/s. ANUGRAHA JEWELLERS LIMITED**  
473, Big Bazar Street, Coimbatore - 641 001

CIN : U36911TZ1994PLC00580  
Authorized Capital : ₹ 5,00,00,000/-  
Paid-up Share Capital : ₹ 4,50,00,000/-  
Financial Year : 31.03.2013

I have examined the registers, records, books and papers of M/s. Anugraha Jewellers Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the financial year ended 31st March 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and return as stated in Annexure "B" to this certificate, with the Registrar of Companies.
3. The Company being a Public Limited Company, comments on minimum paid-up capital and maximum number of members are not required.
4. The Board of Directors duly met 7 (seven) times respectively on 30.04.2012, 29.06.2012, 10.08.2012, 29.10.2012, 14.12.2012, 15.02.2013 and 15.03.2013 (dates) in respect of which meetings proper notices were given and the proceedings were properly recorded and signed (no circular resolutions passed) in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 26th September 2012 to 28th September 2012 (both days inclusive) during the financial year and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 28.09.2012 after giving due notice to the Members of the Company and the Resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.

7. No Extra-Ordinary General Meeting was held during financial year. However, a resolution under section 293(1)(a) of the Companies Act, 1956 was passed through Postal Ballot process (effective date of Resolution was 25.09.2012)
8. The Company has not advanced any loans to its Directors and/or persons or firms or Companies referred to in the section 295 of the Act during the financial year.
9. The Company has not entered into any contract during the year falling within the purview of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company :
  - i has delivered all the Share Certificates on transfer of shares and there was no allotment of securities or any lodgment for transmission of securities during the financial year;
  - ii was not required to deposit amount in a separate Bank Account as no Dividend was declared during the financial year.
  - iii was not required to post warrants to any member of the Company as no Dividend was declared during the financial year.
  - iv has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years, hence the question of transfer of the same to Investor Education and Protection Fund does not arise.
  - v has generally complied with the requirement of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of Additional Director, but no appointment of alternate Director/s and Directors to fulfill casual vacancy were made during the financial year.
15. The Company has not appointed any Managing Director / Whole Time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Shares / Debentures / other Securities during the financial year 31.03.2013.

20. The Company has not bought back any share during the financial year.
21. The Company has not redeemed any preference shares / debenture since no preference share of debenture has been issued.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2013 is/are within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
27. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association of the Company with respect to the share capital of the Company during the year under scrutiny
30. The Company has not altered its Articles of Association during the financial year.
31. According to the information furnished to me, there was no prosecution initiated against or Show Cause Notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

**CS R. Dhanasekaran**

Company Secretary in Practice

FCS7070/ C. P. 7745

Place : Coimbatore

Date : May 29, 2013



**ANNEXURE "A"**

Name of the Company : Anugraha Jewellers Limited

CIN : U36911TZ1994PLC00580

Financial Year ended : 31.03.2013

Register as maintained by the Company :-

Sl. No.	Section under the Companies Act, 1956	Name of the Register
1.	150	Register of Members
2.	163	Copies of Annual Returns
3.	193	Minutes Books for Board / General Meetings
4.	301	Register of contracts, companies and firms in which directors are interested
5.	303	Register of Directors
6.	307	Register of Directors' Shareholding

**ANNEXURE "B"**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2013.

a) Forms and Returns filed with Registrar of Companies.

Sr. No.	E Form No./ Return	Filed under section	Description of the Form	Date of Filing and SRN Yes / No	Whether filed within prescribed time	If delay in filing whether requisite additional Fees paid Yes/No
1.	32	303	Appointment of Director	B42469247 dated 03.07.2012	Yes	N. A.
2.	61	192A	Information of Board Resolution approving Postal Ballot	B45491743 dated 16.08.2012	Yes	N. A.
3.	23	192	Registration of Resolution	B59089946 dated 08.10.2012	Yes	N. A.
4.	66	383A	Compliance Certificate for the Financial Year ended 31.03.2012	P92273648 dated 26.10.2012	Yes	N. A.
5.	Form 23AC XBRL and 23ACA XBRL	220	Balance Sheet as at 31.03.2012 and Profit & Loss A/c for the Financial Year ended 31.03.2012	Q07148802 dated 28.02.2013	Yes	N. A.

b) Forms and Returns filed with Regional Director : Nil

c) Forms and Returns filed with Central Government or other Authorities : Nil

**CS R. Dhanasekaran**  
Company Secretary in Practice  
FCS7070/ C. P. 7745

Place : Coimbatore

Date : May 29, 2013

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of ANUGRAHA JEWELLERS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Anugraha Jewellers Ltd. (The Company) for the year ended 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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 grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances 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 the management has conducted the affairs of the Company.

For **Gurubatham & Associates**

Chartered Accountants

Firm Regn. No. 010982S

Place : Coimbatore

Date : May 29, 2013

**R. Gurubatham**

Partner

Membership No. 200/21556

## **AUDIT REPORT**

To the Members of  
**ANUGRAHA JEWELLERS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s. Anugraha Jewellers Limited, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report 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 it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Gurubatham & Associates**  
Chartered Accountants  
Firm Regn. No. 010982S

Place : Coimbatore  
Date : May 29, 2013

**R. Gurubatham**  
Partner  
Membership No. 200/21556

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**ANNEXURE TO AUDITORS' REPORT**

**The Annexure referred to in paragraph 1 of the Report of even date to the members of Anugraha Jewellers Limited on the accounts of the company for the year ended 31st March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- I. In respect of Fixed Assets:
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
- II. In respect of its Inventories:
  - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification.
- III. The Company has neither granted nor taken any loans, secured or unsecured to / from companies firms or other parties covered in the register maintained under section 301 of the companies Act 1956 and hence the provisions of clauses 4 (iii) (b) to (d), (f) & (g) of the companies (Auditor's Report) Order, 2003 are not applicable.
- IV. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control
- V. In our opinion and according to the information and explanations given to us there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956.
- VI. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
- VII. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business
- VIII. As per information & explanations given to us, no order for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of Companies Act 1956 has been made by the Central Government for any of the products of the Company.

- IX. In respect of Statutory dues:
- (a) According to the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year. There are no undisputed statutory dues as on 31st of March, 2013.
- (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
- X. The accumulated loss of the Company as at the end of the financial year is more than fifty percent of the Company's net worth. The Company has incurred cash loss during the financial year and the Company has not incurred cash loss in the immediately preceding financial year.
- XI. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a bank.
- XII. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the provisions of the clause 4 (xii) of the Companies (Auditor's Report) Order are not applicable.
- XIII. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- XIV. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in Shares, Mutual funds & other Investments. Hence the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- XV. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution during the year.
- XVI. To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion the company has not raised any term loans during the year.
- XVII. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- XVIII. The provisions of clause 4 (xviii) (xix) and (xx) of the Companies (Auditor's Report) Order 2003 are not applicable since the company has not issued any shares or debentures and not raised money by the way of public issue during the year.
- XIX. To the Best of our Knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Gurubatham & Associates**  
Chartered Accountants  
Firm Regn. No. 010982S

Place : Coimbatore  
Date : May 29, 2013

**R. Gurubatham**  
Partner  
Membership No. 200/21556

## BALANCE SHEET AS AT 31ST MARCH 2013

	NOTE	31.3.2013 ₹	31.3.2012 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Share Holder's Funds</b>			
(a) Share Capital	1	45,000,000	45,000,000
(b) Reserves and Surplus	2	(24,145,476)	(23,440,307)
<b>Sub total (1)</b>		<b>20,854,524</b>	<b>21,559,693</b>
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	3	—	171,434
(b) Deferred Tax Liabilities (Net)	4	434,800	425,762
(c) Other Long term Liabilities	5	312,001	961,501
<b>Sub total (2)</b>		<b>746,801</b>	<b>1,558,697</b>
<b>(3) Current Liabilities</b>			
(a) Other Current Liabilities	6	1,607,318	163,081
(b) Short-term provisions	7	48,892	23,500
<b>Sub total (3)</b>		<b>1,656,210</b>	<b>186,581</b>
<b>TOTAL LIABILITIES</b>		<b>23,257,535</b>	<b>23,304,971</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	14,296,425	13,272,477
<b>Sub total (a)</b>		<b>14,296,425</b>	<b>13,272,477</b>
(b) Long Term Loans and Advances	9	6,275,691	6,275,691
<b>Sub total (1)</b>		<b>20,572,116</b>	<b>19,548,168</b>
<b>(2) Current Assets</b>			
(a) Inventories	10	681,087	3,238,965
(b) Cash and Cash equivalents	11	1,902,553	370,891
(c) Short term Loans and Advances	12	93,180	100,847
(d) Other current assets	13	8,600	46,100
<b>Sub total (2)</b>		<b>2,685,419</b>	<b>3,756,803</b>
<b>TOTAL ASSETS</b>		<b>23,257,535</b>	<b>23,304,971</b>

Note: Note 1 to 13 and Significant accounting policies and Notes to Profit and Loss Statement and Balance Sheet form part of this Balance Sheet.

As per our report of even date

For **GURUBATHAM & ASSOCIATES,**  
Chartered Accountants  
Firm Regn. No.: 010982S.

**R. GURUBATHAM,** B.Com., F.C.A.,  
Partner  
Membership No. 200/21556

**ANAND LOGANATHAN**  
Managing Director

**K.R. LOGANATHAN**  
Director

Place: Coimbatore  
Date: 29.05.2013

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

	Note	31.3.2013 ₹	31.3.2012 ₹	
<b>Income :</b>				
I	Revenue from operations	14	2,951,325	960,825
II	Other Income	15	406,150	525,800
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>3,357,475</b>	<b>1,486,625</b>
<b>IV Expenses :</b>				
	Cost of Materials consumed	16	2,223,456	469,911
	Changes in Inventories of Finished goods, Work-in process and Stock in trade	17	334,422	(36,590)
	Employees Benefits Expense	18	445,447	291,325
	Finance Costs	19	36,796	47,182
	Depreciation and amortization expenses		306,499	278,913
	Other expenses	20	706,985	464,201
	Total Expenses		<b>4,053,606</b>	<b>1,514,942</b>
<b>V</b>	<b>Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(696,131)</b>	<b>(28,317)</b>
VI	Exceptional items		-	-
<b>VII</b>	<b>Profit/(Loss) before extraordinary items and tax (V-VI)</b>		<b>(696,131)</b>	<b>(28,317)</b>
VIII	Extraordinary items		-	-
<b>IX</b>	<b>Profit before Tax</b>		<b>(696,131)</b>	<b>(28,317)</b>
<b>X Tax Expense</b>				
	Deferred Tax Liability		9,038	863
<b>XI</b>	<b>Profit and Loss after Tax (IX-X)</b>		<b>(705,169)</b>	<b>(29,180)</b>
XII	Earnings per share (₹) (Face value Rs.10 per share)			
	Basic & Diluted		<b>(0.16)</b>	<b>(0.01)</b>

Note: Note 1 to 13 and Significant accounting policies and Notes to Profit and Loss Statement and Balance Sheet form part of this Balance Sheet.

As per our report of even date

For **GURUBATHAM & ASSOCIATES,**  
Chartered Accountants  
Firm Regn. No.: 010982S.

**R. GURUBATHAM,** B.Com., F.C.A.,  
Partner  
Membership No. 200/21556

**ANAND LOGANATHAN**  
Managing Director

**K.R. LOGANATHAN**  
Director

Place: Coimbatore  
Date: 29.05.2013



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2013**

	31.03.2013 ₹	31.03.2012 ₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax and Extraordinary items	-696131	-27317
<b>Adjustments For:</b>		
Depreciation	306499	278913
Operating Profit Before Working Capital Changes	-389632	251596
<b>Adjustments For:</b>		
Trade and Other Receivables	45167	-11980
Inventories	2557878	267924
Trade Payables	1469629	69408
Rent Advance	-649500	4000
Repayment of Term Loan	-171434	-135876
	3251740	193476
Net Cash From Operating Activities	2862109	445072
<b>B. Cash Flow From Investing Activities</b>		
Capital Expenditure	1330447	181743
<b>C. Cash Flow From Financing Activities</b>	NIL	NIL
Net Increase In Cash And Cash Equivalents	1531662	263329
Cash And Cash Equivalents As At 1.4.2012 (Opening Balance)	370891	107562
Cash And Cash Equivalents As At 31.03.2013 (Closing Balance)	1902553	370891
(-) Ve Sign Before The Figures Represent Cash Outflows		

As per our report of even date

For **GURUBATHAM & ASSOCIATES,**  
Chartered Accountants  
Firm Regn. No.: 010982S.

**R. GURUBATHAM,** B.Com., F.C.A.,  
Partner  
Membership No. 200/21556

**ANAND LOGANATHAN**  
Managing Director

**K.R. LOGANATHAN**  
Director

Place: Coimbatore  
Date: 29.05.2013

## 1. NOTES ON ACCOUNTS - BALANCE SHEET

	As at March 31, 2013	As at March 31, 2012
<b>1. Share Capital</b>		
Equity Share Capital		
Face/par value per share- ₹	10.00	10.00
Authorised Capital-Number of shares	5,000,000	5,000,000
Authorised Capital-Amount ₹	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, Subscribed and fully paid up Capital-No of shares</b>	<b>4,500,000</b>	<b>4,500,000</b>
Face/par value per share- ₹	10.00	10.00
<b>Total paid up Capital Value ₹</b>	<b><u>45,000,000</u></b>	<b><u>45,000,000</u></b>
No of shares paid up outstanding at the beginning of reporting period	4,500,000	4,500,000
Changes during the reporting period	Nil	Nil
No of shares paid up outstanding at the end of reporting period	4,500,000	4,500,000
No of shares held by persons holding more than 5% shares		
Mr. K.R. Loganathan	278,094	278,094
Mr. Hari Loganathan	470,201	470,201
Mr. L. Prakash	350,101	350,101
Mr. K. Annamalai	296,000	300,700
Mrs. Mala Jhunjhunwala	301,000	-
<b>2. Reserves and Surplus</b>		
Surplus-Balance in Profit and Loss Account		
Balance at the beginning of the reporting period	(23,440,307)	(23,411,127)
Profit after taxes during the year	(705,169)	(29,180)
Balance at the end of the reporting period	<u>(24,145,476)</u>	<u>(23,440,307)</u>
Total Reserves and Surplus	<u>(24,145,476)</u>	<u>(23,440,307)</u>

**1. NOTES ON ACCOUNTS - BALANCE SHEET**

	As at March 31, 2013	As at March 31, 2012
<b>3. Non - Current Liabilities</b>		
<b>Long Term Borrowings</b>		
<b>Term Loans-Secured</b>		
<b>Veerakeralam Co-Op Urban Bank Ltd.,</b>	-	171,434
(Repayable in Monthly EMI of ₹ 14,200/- each)		
(Secured by the equitable mortgage of the Land and Buildings of the Company)		
<b>Total Secured Loans</b>	-	171,434
<b>Total Long Term Borrowings</b>	-	171,434
There is no default/delay in repayment of principal or interest and no amount is overdue as at the end of the reporting period		
<b>4. Deferred Tax Liabilities</b>	<b>434,800</b>	425,762
<b>5. Other Long Term Liabilities</b>		
Rent Advance	<b>312,001</b>	961,501
<b>6. Other Current Liabilities</b>		
Current Maturities of Long Term Debt (Secured)		
<b>Veerakeralam Co-Op Urban Bank Ltd.,</b>	-	135,876
Advance Received against sales	<b>1,575,000</b>	-
Liabilities for other Finance-Tax Collections payable	<b>32,318</b>	27,205
<b>Total Other Current Liabilities</b>	<b>1,607,318</b>	163,081
<b>7. Short term Provisions</b>		
Provision for Expenses	<b>48,892</b>	23,500
<b>Total Short Term Provisions</b>	<b>48,892</b>	23,500

**1. NOTES ON ACCOUNTS - BALANCE SHEET**

**8. Tangible Assets**

S. No	Description	Gross Block				Depreciation				Net Block	
		As At 01.04.2012 ₹	Additions ₹	Deletions ₹	As At 31.03.2013 ₹	As At 01.04.2012 ₹	Additions ₹	Deletions ₹	As At 31.03.2013 ₹	As At 31.03.2012 ₹	As At 31.03.2013 ₹
1.	Land	8,690,315		8,690,315	8,017,777	-	8,690,315	8,690,315	5,166,554	4,113,771	
2.	Buildings	6,739,882	1,277,895	1,545,061	1,201,713	225,112	-	2,851,223	343,348		
3.	Plant & Machinery	1,545,061		1,545,061	615,750	7,135	-	566,321	120,169	28,503	
4.	Computer Equipments	587,689	28,061	2,617,136	2,496,105	862	-	2,496,967			
5.	Furniture And Office Equipments	2,592,645	24,491	2,617,136	2,496,105	862	-	2,496,967			
	<b>Total</b>	<b>20,155,592</b>	<b>1,330,447</b>	<b>-</b>	<b>21,486,039</b>	<b>306,499</b>	<b>-</b>	<b>7,189,614</b>	<b>14,296,425</b>	<b>13,272,477</b>	
	Previous Year	19,973,849	181,743	-	20,155,592	278,913	-	6,883,115	13,272,477	13,369,647	

## 1. NOTES ON ACCOUNTS - BALANCE SHEET

	As at March 31, 2013	As at March 31, 2012
<b>9. Long Term Loans and Advances</b>		
(Unsecured, considered good)		
Advances to others - Doubtful Debts	6,157,803	6,157,803
Security Deposits	117,888	117,888
<b>Total Long Term Loans and Advances</b>	<b>6,275,691</b>	<b>6,275,691</b>
All the above are unsecured and no allowance made for bad or doubtful debts		
<b>10. Inventory</b>		
Raw Materials	83,423	2,406,879
Work-in-Progress	217,474	627,989
Finished goods	280,190	204,097
Total Inventory	<b>681,087</b>	<b>3,238,965</b>
<b>11. Cash and Cash equivalents</b>		
Balance with Banks		
-in Current Accounts	717,907	134,998
Cash on hand	1,184,646	235,893
<b>Total Cash and Cash equivalents</b>	<b>1,902,553</b>	<b>370,891</b>
<b>12. Short Term Loans and Advances</b>		
(Unsecured, considered good)		
Advance to Suppliers & Others	93,180	100,847
Total Short Term Loans and Advances	<b>93,180</b>	<b>100,847</b>
<b>13. Other Current Assets</b>		
Income Receivable	8,600	46,100
Total Other Current Assets	<b>8,600</b>	<b>46,100</b>

## 1. NOTES ON ACCOUNTS - BALANCE SHEET

	As at March 31, 2013	As at March 31, 2012
<b>14. Revenue from Operations</b>		
a) Sale of Finished Goods	2,943,285	954,925
b) Labour Charges Received	8,040	5,900
<b>Sub total</b>	<b>2,951,325</b>	<b>960,825</b>
Less Excise Duty	-	-
Revenue net of Excise duty	<b>2,951,325</b>	<b>960,825</b>
<b>15. Other Income</b>		
Rent Receipts	406,150	525,800
Total Other Income	<b>406,150</b>	<b>525,800</b>
<b>16. Cost of Materials Consumed</b>		
Opening Stock		
Raw materials	2,406,879	2,324,940
<b>Total Raw Materials</b>	<b>2,406,879</b>	<b>2,324,940</b>
<b>Purchases</b>		
Raw materials	-	551,850
<b>Total</b>	<b>-</b>	<b>551,850</b>
Less: Closing Stock		
Raw materials	183,423	2,406,879
<b>Total Closing Stock</b>	<b>183,423</b>	<b>2,406,879</b>
<b>Materials consumed</b>	<b>2,223,456</b>	<b>469,911</b>

## 1. NOTES ON ACCOUNTS - BALANCE SHEET

	As at March 31, 2013	As at March 31, 2012
<b>17. Changes in Inventories of Finished goods, Work-in Process and Stock in trade</b>		
<b>Opening Stock</b>		
Work-in Progress	627,989	790,826
Finished Goods	204,097	392,123
Less: Transferred to raw material account	-	387,453
	<u>832,086</u>	<u>795,496</u>
<b>Closing Stock</b>		
Work-in Progress	217,474	627,989
Finished Goods	280,190	204,097
	<u>497,664</u>	<u>832,086</u>
(Increase)/Decrease	<u>334,422</u>	<u>(36,590)</u>
<b>18. Employee Benefits</b>		
Salary, etc.,	359,223	207,325
Staff and Labour Welfare expenses	2,224	-
Managerial Remuneration	84,000	84,000
Total Employee Cost	<u>445,447</u>	<u>291,325</u>

## 1. NOTES ON ACCOUNTS - BALANCE SHEET

	As at March 31, 2013	As at March 31, 2012
<b>19. Finance Costs</b>		
Interest expense	36,796	47,182
Total Finance Cost	<u>36,796</u>	<u>47,182</u>
<b>20. Other Expenses</b>		
Power and Fuel	136,096	129,386
Printing and Stationery	48,250	33,425
Postage and Telephone	6,750	17,049
Travelling and Vehicle Maintenance	5,465	37,533
Advertisement and Subscription	18,642	-
Licences and Taxes	124,832	12,780
Bank Charges	289	551
Labour Charges	-	8,334
Auditor's Remuneration	11,236	11,000
Legal and Professional charges	201,373	47,984
Repairs and Maintenance-Buildings	154,052	164,459
Miscellaneous Expenses	-	1,700
Total Other Expenses	<u>706,985</u>	<u>464,201</u>
Signature to Note 1 to 20.		

As per our report of even date

For **GURUBATHAM & ASSOCIATES,**  
Chartered Accountants  
Firm Regn. No.: 010982S.

**R. GURUBATHAM,** B.Com., F.C.A.,  
Partner  
Membership No. 200/21556

**ANAND LOGANATHAN**  
Managing Director

**K.R. LOGANATHAN**  
Director

Place: Coimbatore  
Date: 29.05.2013



**2. SIGNIFICANT ACCOUNTING POLICIES:**

- a) **System of Accounting:** The Financial Statements are prepared under historical cost convention and on accrual basis in accordance with the applicable accounting standards.
- b) **Use of Estimates:** The preparation of the financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.
- c) **Recognition of Income and Expenditure:** Revenue from sale transaction is recognized as and when the property in the goods is sold/transferred to the buyer for a definite consideration. Revenue from service transactions and other source is recognized on the completion of the contract.
- d) **Fixed Assets / Borrowing Costs:**
- i) Fixed Assets are capitalized at cost inclusive of erection expenses and other incidental expenses in connection with the acquisition of the assets and net of Cenvat Credit and VAT, if any. The borrowing cost on the additions to fixed assets is capitalized in accordance with AS 16.
  - ii) Depreciation : The Depreciation on the Fixed Assets has been provided in Stright Line Method in accordance with Straight Line Method in accordance with schedule XIV of the Companies Act, 1956.
- e) **VALUATION OF INVENTORIES**
- Inventories are valued as follows
- i) Raw materials at cost
  - ii) Work-in-Progress at cost
  - iii) Finished Goods at Cost/Selling Price whichever is lower
- f) **Employee Benefits:** There is no liability towards Gratuity
- g) **Impairment of Assets:** The carrying amount of the fixed assets is reviewed for provision for impairment as required under AS 28. In the opinion of the company, the recoverable amount of the fixed assets of the company will not be lower than the book value of the fixed assets. Hence no provision has been made for impairment.
- h) **Provisions, Contingent liabilities and contingent assets:** Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to financial statments. Contingent assets are neither recognized not disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- i) **Earnings Per Share:** Basic Earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- j) **Cash flow Statement:** Cash flows are reported using the indirect method. Closing balances of cash includes cash and cash equivalents in hand and balances in bank in current accounts.

k) Segment Reporting: The operations of the company primarily relate to one segment, viz., the manufacture of jewellery only.

	2012-13	2011-12
3. Raw Materials Consumed - Indigenous		
GOLD		
Value in ₹	<b>609134</b>	337078
OTHERS		
Value in ₹	<b>1614326</b>	132833
4. Value of Imports	<b>NIL</b>	NIL
5. Earnings in Foreign Currency	<b>NIL</b>	NIL
6. Contingent Liabilities	<b>NIL</b>	NIL
7. RELATED PARTY DISCLOSURE:		

As per the Accounting Standard on 'Related Parties Disclosure' (AS 18) issued by the Institute of Chartered Accountants of India, the related parties, the nature and volume of transactions of the company are as follows.

- a. Associate Company : Nil
- b. Key Management Personnel
  1. Sri. Anand Loganathan
- c. Relatives of Key Management Personnel
  1. Sri K.R. Loganathan
  2. Sri Hari Loganathan

(Amount in ₹)

Particulars	Associates	Key Management Personnel	Other Relatives	Total
Remuneration	-	84000	-	84000

### 8. Managing Director's Remuneration:

Salary	84000	84000
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### 9. Auditor's Remuneration:

Audit Fees	11236	11000
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10. The information required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company. There are no overdues to parties on account of principal amount and / or interest and accordingly no additional disclosures has been made.
11. The deferred tax liability and deferred tax assets as at 31.03.2013 computed as per AS 22 is given below:

(Amount in ₹)

	2012-13	2011-12
Deferred Tax Liability	434800	425762
Deferred Tax Assets	-	-
Net Deferred Tax Liability	434800	425762

12. Figures have been rounded off to the nearest rupee. Previous years have been regrouped / rearranged wherever necessary.

As per our report of even date

For **GURUBATHAM & ASSOCIATES,**  
Chartered Accountants  
Firm Regn. No.: 010982S.

**R. GURUBATHAM,** B.Com., F.C.A.,  
Partner  
Membership No. 200/21556

**ANAND LOGANATHAN**  
Managing Director

**K.R. LOGANATHAN**  
Director

Place: Coimbatore  
Date: 29.05.2013

# Anugraha Jewellers Limited

Regd. Office : 473, Big Bazaar Street, Coimbatore - 641 001

## PROXY FORM

I/We \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of the above named Company, hereby appoint \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Thursday, the 25th day of July 2013 at 10.00 A.M., at 473, Big Bazaar Street, Coimbatore - 641 001 and any adjournment thereof.

Registered Folio No./DP-Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signed by the said \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Attested by Shareholder \_\_\_\_\_

Affix  
Revenue  
Stamp



# Anugraha Jewellers Limited

Regd. Office : 473, Big Bazaar Street, Coimbatore - 641 001

## ATTENDANCE SLIP

I hereby record my presence at the 19th Annual General Meeting of the Company to be held on Thursday, the 25th day of July 2013 at 10.00 A.M., at 473, Big Bazaar Street, Coimbatore - 641 001.

Name of Shareholder/s \_\_\_\_\_

Father/Husband's Name \_\_\_\_\_

Name of Proxy or Company Representative \_\_\_\_\_

Registered Folio No./DP-Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_

## BOOK-POST

*If undelivered, please return to :*

**Anugraha Jewellers Limited**  
473, Big Bazaar Street, Coimbatore - 641 001.