



## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Members of Royal India Corporation Limited will be held on **Friday, 7th September, 2012** at 11:00 A.M. at Conference Hall, 18<sup>th</sup> Floor, 'C' Wing, Mittal Tower, Nariman Point, Mumbai: 400 021, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March, 31<sup>st</sup> 2012 and the Profit and Loss account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Manisha Anand, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s. DMKH & Co., Chartered Accountants as the Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** Mr. Manish Navnitbhai Shah who was appointed as an Additional Director of the company during the year holds office till the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.

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

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309 & 310 read with Schedule XIII

of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, if any, as may be required, the Company hereby accords its approval for the appointment of Mr. Manish Navnitbhai Shah, as Managing Director of the company for a period of 3 years i.e. from 24<sup>th</sup> February 2012 to 23<sup>rd</sup> February, 2015, on a monthly remuneration of ₹ 2,40,000 p.a. as emoluments for his services.

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

**"RESOLVED THAT** Mr. Hitesh Mangilal Jain who was appointed as an Additional Director of the company during the year holds office till the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.

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

**"RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, if any, as may be required, the Company hereby accords its approval for the appointment of Mr. Hitesh Mangilal Jain, as Whole Time Director of the company for a period of 3 years i.e. from 20<sup>th</sup> June, 2012 to 19<sup>th</sup> June, 2015, on a remuneration of Rs.1,80,000 p.a. as emoluments for his services.

8. To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** Mr. Ravikant Chaturvedi who was appointed as an Additional Director of the company during the year holds office till the date of this Annual General Meeting and in respect of whom the company has received a notice in writing from a shareholder proposing his candidature for the office of Director, be



and is hereby appointed as a Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation.

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

**“RESOLVED THAT** pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956, the Members of the Company do and hereby approve the amendment in the Memorandum of Association of the Company by shifting of the Clause no. 95 as mentioned in Part III C under the heading OTHER OBJECTS as clause no. 1 in Part III A (which is reproduced below) and by way of insertion of new main object clause as clause no. 2 in Part III A and simultaneously deleting of clause no. 96 as mentioned in Part III C under the heading OTHER OBJECTS and also shifting of the existing clause no. 1 in Part III A to Part III C under the heading OTHER OBJECTS as other Object Clause 97 and subsequently re-numbering of the Object Clauses as mentioned in Memorandum of Association of the Company.

- 1) To do the business of manufacturer, exporter, importer, trader of gold, silver, platinum, jewelry made of gold, silver, platinum, gold coins, ornaments and natural diamonds, gems, jewellery, pearls, precious & Semi precious stones and to commercialize, cut, polish, set design, finish, grind, grade, assort, import, buy, sell, or otherwise to deal in all shapes, sizes varieties, description, specifications, applications and designs of rough, raw, cut, uncut, polished or processed, natural stones such as diamonds, ruby, pearls, gemstones, blue sapphires, cat's eye stones, pearls, gemstones, aqua-marine, tourmaline, peidot, agate, garnet, corundum, amethyst, malachite, citrin alexandrite, smoky quartz, lapis lazuli, blood stone, gold stone, bismuth, jet, diopside, tiger eye, sunstone, spinal, Jews stone, load stone, sardonex, touch stone, amber and their ornaments, jewellery, things, made in combination of gold, silver, platinum or other metals and alloys thereof and for the purpose to act as goldsmith, silversmith, jewelers, gem merchant, electroplaters, polishers and purifiers.
- 2) To carry on the business of miners, refiners, smelters, processors, assayers, rerollers,

converters, fabricators, processors, stockiest, agents, distributors, importers, exporters of and traders in gold, silver, platinum, other precious semiprecious metals, stones, earth, ores, alloys and minerals of all kinds, classes, nature and description and further in all their branches and jewellery thereof or otherwise, and also to operate, explore, prospect, take on lease or on royalty basis or otherwise acquire mines, mining lease, mining licenses, mining rights, mining claims, and to do all such other acts or things necessary in connection with the same and for that purpose to import, export, purchase, sell, manufacture, repair, assemble, supervise, install or otherwise deal in all types of mining machines, tools and implements smelters crushing machines, furnaces and other equipments whether in India or outside India, either solely or in partnership, extracting, moulding, extruding, stamping, rolling, drawing, smelting, alloying, fabricating and blanking precious and semiprecious metals including gold, silver, platinum and their alloys, whether recovered from ores or otherwise, virgin metals, gems and jewellery, rare metals, metal scraps, residue articles, skimming concentrates and wastes or otherwise, by mixing or separating any metal and alloys, and working in precious, or semiprecious metals, and stones and for the purpose to explore, prospect, take on lease, hire or on royalty or otherwise acquire mines, mining rights and lands or any rights or interests therein and to carry on other metallurgical operations and to undertake the heading and other similar activities as may be permitted by law or concerned authority from time to time for the purpose of business of the company.

**RESOLVED FURTHER THAT** Mr. Kumarpal Punamiya, Whole Time Director of the Company, be and is hereby authorized to take all necessary/relevant steps as may be deemed expedient by him for giving effect to this resolution, for and on behalf of the Company including filing of relevant Forms and documents.”

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



**“RESOLVED THAT** pursuant to the provisions of section 149(2A) of the Companies Act, 1956 approval be and is hereby accorded to the company for commencing of businesses included in additional **new Clause Nos.97** after the **existing Clause No.96** in **PART III C** under the heading **OTHER OBJECTS** of the Memorandum of Association of the Company.”

**RESOLVED FURTHER THAT** Mr. Kumarpal Punamiya, Whole Time Director of the Company, be and is hereby authorized to take all necessary/relevant steps as may be deemed expedient by him for giving effect to this resolution, for and on behalf of the Company including filing of relevant Forms and documents.”

**BY ORDER OF THE BOARD**

Sd/-

**Shweta Agrawal**  
**Company Secretary**

**Place:** Mumbai

**Date:** 8th August, 2012

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and poll, to vote instead of himself such a proxy need not be a member of the company. Proxies in order to be valid and effective the instrument appointing proxy should however, be deposited at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting. Proxies submitted on behalf of Companies, Bodies Corporate, Societies etc. must be supported by certified copy of appropriate resolution /authority as applicable
2. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 04, 2012 to Friday, September 07, 2012 (both days inclusive) for the purpose of 28th Annual General Meeting (AGM) of the Members of the Company to be held on Friday, September 07, 2012.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 is annexed to the Notice.

4. If the members have any queries on the audited accounts, directors' report and auditor's report, the same should be forwarded to the company in writing at its registered office at least 10 days before the meeting so that the same can be replied at the time of annual general meeting to the members' satisfaction.
5. Members/Proxies should bring the Attendance slip duly filled in for attending the Annual General Meeting.
6. The representative of a body corporate who is registered shareholder of the Company may attend and vote at the Annual General Meeting provided a certified true copy of the resolution of the Board of Directors or Governing body of such body corporate authorizing such person to act as its representative at the Annual General Meeting is lodged with the Company at its Registered Office not later than 48 hours before the commencement of the meeting.
7. Members having multiple folios in identical name(s) or joint name(s) in the same order are requested to write to the Registrar & Share Transfer Agent of the Company, M/s Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078 enclosing the respective share certificates so as to enable the Company to consolidate their holding in one folio.
8. Members are requested to :
  - I. Intimate change in their Registered Addresses, if any, in respect of Equity Shares held in electronic form (Dematerialized form) to their Depository Participants.
  - II. Intimate the Registrar & Share Transfer Agent M/s Link Intime India Private Limited about any change in their Registered Addresses in respect of equity shares held in physical form.
  - III. Quote the registered folio number / DP-ID and CL-ID in all future correspondence.
  - IV. Please bring their copies of Annual Report at the meeting.

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 4 & 5:** The Board of Directors of the Company at the meeting held on 24<sup>th</sup> February, 2012, subject to the approval of the members, unanimously approved the appointment of Mr. Manish Navnitbhai Shah as Managing Director of the Company w.e.f 24<sup>th</sup> February 2012 to 23<sup>rd</sup> February, 2015 for a period of three years.

Mr. Manish Navnitbhai Shah has extensive experience in Mining, Trading, Import, Export of Precious metals, Base metal & Coal. Mr. Shah is known in business circles for his impeccable business acumen, diplomatic and networking skills. Mr. Shah has a dynamic and warm personality which endears him to the team. He attributes his success to real time hands on experience in every intricacy of this business.

None of the Directors of the Company except Mr. Manish Navnitbhai Shah may be deemed to be concerned in or interested in passing of the said resolution.

The Board recommends this Resolution for your approval.

**ITEM NO. 6 & 7:** The Board of Directors had appointed Mr. Hitesh Mangilal Jain on June 20, 2012 pursuant to section 260 of the Companies Act 1956. He is liable to retire by rotation and being eligible offers himself for re-appointment. A notice in writing has been received by the Company from a member along with necessary deposit, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956.

The Board of Directors of the Company at the meeting held on 20<sup>th</sup> June, 2012 subject to the approval of the members, unanimously approved the appointment of Mr. Hitesh Mangilal Jain as Whole Time Director of the Company w.e.f 20<sup>th</sup> June, 2012 to 19<sup>th</sup> June, 2015 for a period of three years.

Mr. Hitesh Mangilal Jain holds a graduate degree in commerce from Mumbai University, India.

None of the Directors of the Company may be deemed to be concerned in or interested in passing of the said resolution, except Mr. Hitesh Mangilal Jain.

**ITEM NO. 8:** The Board of Directors had appointed Mr. Ravikant Chaturvedi on February 9, 2012 pursuant to section 260 of the Companies Act 1956. He is liable to retire by rotation and being eligible offers himself for re-appointment. A notice in writing has been received by the Company from a member along with necessary deposit, proposing his candidature for the office of Director, under Section 257 of the Companies Act, 1956.

Mr. Ravikant Chaturvedi obtained his degree of M.B.B.S from Rajendra Institute of Medical Science, Ranchi, Jharkhand.

None of the Directors of the Company may be deemed to be concerned in or interested in passing of the said resolution, except Mr. Ravikant Chaturvedi.

**ITEM NO. 9:** As is evident from the Financial Results of the previous year and current year, company's major revenue is generated from Bullion Segment. The Company enjoys a pioneering position in its business segments viz. Bullions. Considering the current market scenario and the opportunities available in the market.

However, with a view to have better focus on such enlarged market opportunities and, further to extend the sphere of its operations, it is proposed to specify such business activities in a main object clause to carry on these business activities more economically and efficiently

In order to expand and diversify the business operations of the company and enter into projects relating to gold and precious metals, in view of the growth opportunities in the said field. The Company proposes to diversify its activities to enter in the Gold, Bullion and Jewellery Market.

Therefore, there is need to alter the present Main Object Clause of MOA by way of substituting the existing clause no. 1 with the new clause no. 1. Considering the circumstances, the Board is of the opinion that it would be in the interest of the company to alter the main object clause of the MOA.

Section 17 of the companies Act, 1956 requires approval of the members of the company by way of Special Resolution for alteration of object clause of the MOA. Accordingly, the proposal is placed before the members for their approval/ consent by way of



Special Resolution. Accordingly, the Directors recommend this resolution for the approval of the members of the Company by way of Special resolution.

None of the Directors of the Company is concerned or interested in the said Special Resolution.

**ITEM NO. 10:** Pursuant to the provisions of Section 149 (2A) of the Companies Act, 1956, an approval by way of a Special Resolution passed in a General Meeting of the Company is necessary to commence/carry out any of the activities mentioned in newly inserted Objects Clauses under the 'Other Objects' as aforesaid upon the amendment becoming effective.

Accordingly, approval of the shareholders is sought for commencement and carrying out of all or any of

the new business and activities as mentioned in Clause No. 97.

Accordingly, the Directors recommend this resolution for the approval of the members of the Company by way of Special resolution.

None of the Directors of the Company is concerned or interested in the aforesaid Special Resolution.

**BY ORDER OF THE BOARD**

Sd/-  
**Shweta Agrawal**  
**Company Secretary**

**Place:** Mumbai  
**Date:** 8th August, 2012

**DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE TWENTY EIGHTH ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT OF STOCK EXCHANGES:**

Name of the Director	Age	Nature of expertise	Qualifications	Other Directorship	Membership in the committees of other Public Companies	Share holding
Mr. Manish N. Shah	44	Expertise in Mining, Trading, Import, Export of Precious metals, Base metal & Coal	Bachelor of Engineering, Mumbai University	1	-	-
Mr. Ravikant Chaturvedi	32	Management administration	M.B.B.S.	-	-	-
Ms. Manisha Anand	24	Management, administration and Accounts	Graduate in Commerce	-	-	-
Mr. Hitesh M. Jain	22	Management, administration and Accounts	B.Com. (Accountancy and Finance)	-	-	-



**Green Initiative in Corporate Governance**

Dear Shareholder(s),

The Ministry of Corporate Affairs has through its Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 allowed paperless compliances by Companies through electronic mode. Companies are now allowed to send the various notices/documents through electronic mode to the shareholders whose e-mail addresses are registered and available in the Company's records.

Ministry of Corporate Affairs has introduced this green initiative in order to reduce the consumption of paper and hence contributing towards the green environment. It will also help in speedy communication of the documents and evade loss in postal transit.

In order to welcome this green initiative, we wish to send all the statutory documents like Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report, Audited financial statements, Notices of General Meetings etc. to the shareholder's e-mail addresses which are available with the Company.

In order to contribute towards this initiative, the members are requested to register their e-mail address(es) and changes therein from time to time, by directly sending the relevant e-mail address alongwith details of name, address, Folio No., shares held:

- i) To the registrar and share transfer agent, for shares held in physical form and;

**Link Intime India Private Limited**  
**C-13, Pannalal Silk Mills Compound,**  
**L. B. S. Marg, Bhandup (West),**  
**Mumbai - 400078**

- ii) In respect of shares held in demat form, since the Company seeks all the information of their members from the Depository so those who want to register their e mail-ids can directly provide the same to the respective Depository Participants where their demat accounts are maintained.

In case any Members insist for physical copies of above documents, the same shall be sent to him physically, by post free of cost. The members whose e-mail addresses are not available with the Company shall be sent the statutory documents through other modes as specified under Section 53 of the Companies Act, 1956.

The members are requested to please move a step towards this ultimate initiative of the Ministry and co-operate with the Company in the implementation of the same.





## DIRECTOR'S REPORT TO THE MEMBERS

We have pleasure in presenting the 28th Annual Report on the business operations of the Company along with the Statement of Audited Accounts for the year ended March 31, 2012.

### 1. FINANCIAL RESULTS

Particulars	₹ In Lacs	
	31.03.2012	31.03.2011
Total Income	11745.65	6504.18
Profit Before Tax	147.19	70.48
Provision for Tax		
-Current Tax	42.00	10.25
-Deferred Tax	(0.20)	(0.10)
-Previous year adjustment	(0.74)	-
Profit after Tax	106.14	60.34

### 2. DIVIDEND

Your Directors are unable to recommend payment of dividend on equity share capital for the year ended 31st March, 2012.

### 3. TURNOVER & PROFITS

The Directors wish to inform you that during the financial year ended 31st March, 2012 the sales and other income increased from ₹ 6504.18 lacs to ₹ 11745.65 lacs. The Net profit after tax stood at ₹ 106.14 lacs as against ₹ 60.34 lacs in the previous year.

### 4. BOARD OF DIRECTORS

During the year under review, there have been changes in the Management of the Company as mentioned below:

Mr. Manoj Babulal Punamiya tendered his resignation as a Managing Director of the Company w.e.f. 16<sup>th</sup> February, 2012. Board places on records its sincere appreciation for the valuable services rendered by Mr. Manoj Babulal Punamiya during his Tenure.

Mr. Manish Navnitbhai Shah was appointed as an Additional Director designated as Managing Director on 24<sup>th</sup> February, 2012 subject to approval of Members in the forthcoming Annual General Meeting.

Ms. Manisha Anand retires by rotation as a Director at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Ravi Kant Chaturvedi and Mr. Hitesh Jain were appointed as Additional Directors and hold office up to the ensuing Annual General Meeting. The resolution for his appointment as a Director is being moved at the ensuing Annual General Meeting.

Pursuant to clause 49 of the Listing Agreement, the detailed profiles of the Directors seeking appointment and re-appointment are provided in the Notice convening the Annual General Meeting.

### 5. INSPECTION UNDER SECTION 209A OF THE COMPANIES ACT

Inspection under Section 209 A of the Companies Act, 1956 has been carried out by the office of Ministry of Corporate Affairs. No irregularities other than of a compoundable nature have been observed by the Inspecting authority. Your Company is in the process of filing compounding applications with the Authorities against the observations/remarks of the Inspecting authority.

### 6. EMPLOYEES

The Company has no employees in the category specified under Section 217(2A) of the Companies Act, 1956.

### 7. DEPOSITS FOR PUBLIC

The Company has not raised any deposits from public during the year under review.

### 8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis for the year under review as required under Clause 49 of the Listing Agreement entered with Stock Exchanges is given as a separate statement in the Annual Report.

### 9. CORPORATE GOVERNANCE

The Company has taken steps to comply with the mandatory provisions of clause 49 of the Listing Agreement and a separate report on Corporate Governance is enclosed. Further due to change in the Management of the Company various committees of the Board of Directors are reconstituted as under:



Re-constitution of Audit Committee:

Ms. Manisha Anand	Chairperson, Independent & Non Executive
Mr. Kumarpal Punamiya	Member, Whole time Director
Mr. Damodar Hari Pai	Member, Independent & Non Executive

Re-constitution of Shareholders' Cum Investors' Grievance Committee:

Mr. Kumarpal Punamiya	Member, Whole time Director
Ms. Manisha Anand	Chairperson, Independent & Non Executive
Mr. Damodar Hari Pai	Member, Independent & Non Executive

Re-constitution of Remuneration Committee:

Ms. Manisha Anand	Chairperson, Independent & Non Executive
Mr. Damodar Hari Pai	Member, Independent & Non Executive
Mr. Ravikant Chaturvedi	Member, Independent & Non Executive

\*Mr. Ravikant Chaturvedi was appointed as a member of the Remuneration Committee w.e.f 9th February, 2012.

## 10. AUDITORS

M/s. DMKH & Co., Chartered Accountants, retire as the Auditors at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the retiring auditors to the effect that their reappointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

The Board has recommended their re-appointment.

**Auditors Report:** Auditors Report as issued by M/s. DMKH & Co., Chartered Accountants is self explanatory and need not calls for any explanation by your Board.

## 11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

Considering the nature of activities of the company, the information required to be disclosed pursuant to

Section - 217(1)(e) of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the conservation of energy and technology absorption do not apply to the Company. Hence no comment is being made on energy conservation. There is no foreign technology involved/absorbed. During the year under review, the Company has not earned or spent any foreign exchange.

## 12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- (i) In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:  
In the preparation of the annual accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) The Company has selected 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 as on 31<sup>st</sup> March 2012 and of the Profit & Loss Account of the company for the year ended on that date.
- (iii) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) These Accounts have been prepared on a going concern basis.

## 12. ACKNOWLEDGEMENTS

Yours Directors greatly appreciate the co-operation and support of Shareholders and Employees for reposing their faith in us and motivating us to excel in all facets of our Business.

### For and on behalf of the Board of Directors

Sd/-  
**Hitesh M. Jain**  
Whole-time-Director

Sd/-  
**Kumarpal Punamiya**  
Whole-time-Director

Place : Mumbai  
Date : 8<sup>th</sup> August, 2012.





## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### A. SEGMENT INFORMATION

#### SEGMENT I – BULLIONS

##### Industry at a glance:

- India's gems & Jewellery industry to touch more than US\$ 140 billion by 2015
- The industry is leading foreign exchange earner for the country.
- India is the one of the World's largest Bullion market.
- India is the one of the World's largest consumer of Gold & Silver Jewellery.
- The Indian gems and Jewellery Industry is export oriented.
- Over 100,000 Jewellery Manufacturing units, about 6,000 diamond processing units, and 450,000 goldsmiths throughout India.
- In India the Gems and Jewellery Industry is well supported by the Government & EXIM policies.

##### Opportunities:

- The Indian gems and jewellery industry is competitive in the world market due to its low cost of production and availability of skilled labour.
- The Gems and Jewellery Export Promotion Council (GJEPC) is looking at exploring new markets, such as Latin American countries.
- Worldwide there has been increased outsourcing of jewellery fabrication to low cost countries like India and China.
- Expansion possibilities in lifestyle and luxury products in India like watches, leather goods, Platinum jewellery because of increasing disposable income of people.

##### Threats:

- Gold & Diamond Price Volatility & availability.
- Foreign exchange Fluctuations (USD/INR)
- Quality of workmanship and technological development (technical expertise) are the other areas where the Indian industry faces a threat.
- Infrastructure bottlenecks, absence of latest technology.
- Change in government's support and incentives.

##### Financial and Operating performances:

Your Company's revenues from Bullions Segment for the financial year 2011-12 is ₹ 107,38,56,985/- as compared to previous corresponding years ₹ 64,15,09,460/-.

#### SEGMENT II – SECURITIES

The second segment that the Company earns its revenue falls under Securities i.e. financial products like shares, stocks, debentures, etc. During the year under review your Company makes efforts to expand the business in financial space however due to weak global macro economic conditions as well as domestic market conditions unable to do.

##### Opportunities & Threats:

Times are really quite exciting an ever increasing plethora of events followed the global financial crisis. With globalization and innovation in the financial markets at its peak - it is very essential to study the market risks and requirements. Over the years, the India stock market has undergone major changes to remain at par with the global peers. With global trade and finance getting more dynamic day by day, the India stock market is not far behind to experience these developments. This has helped the financial structure of India get more innovative.

##### Financial and Operating performances:

Your Company's revenue from Securities Segment for the financial year 2011-2012 is Nil.

#### SEGMENT III – REAL ESTATE

##### Industry Structure and Development:

The growth of housing is related to construction and as such it is also connected to core sector industries like Cement, Iron & steel and Housing finance. Since Company is into the field of infrastructure development project, it is belief that Company will be able to achieve reasonably good position in the market despite of global slowdown.



### **Opportunities & threats:**

Domestic as well as international investors are considering India for investment in property. Real estate studies of India shows that India has the right environment that offers maximum benefits to the investors. India has strong and transparent legal and accounting system and most of all has legal protection for intellectual property rights. Infrastructure Project and entering in this field is a new challenge but Company wants to grab more opportunities in this field as it of the opinion that the said Industry is a booming Industry.

### **Financial Performance with respect to Operational Performance:**

Your Company's revenue from the Real Estate Segment for the financial year 2011-12 is Nil.

### **SEGMENT IV – INVESTMENT**

### **Financial Performance with respect to Operational Performance:**

Your Company's revenue from the Investment Segment for the financial year 2011-12 is 10,50,00,000/-.

### **B. OUTLOOK**

Sustainability comes with a long term vision and focus. Involvement in diverse activities across several industries enables the company to tap opportunity to diversify business, reduce risk and increase revenues. The Company continues to explore the possibilities of expansion in its activities and accordingly company plan to enter into Manufacturing of Gold Jewellery & other gold products. The company has also plan to enter into mining, refining of Gold Dore Bar, Gold Bar & other gold product.

The company is confident about its prospect in the forthcoming year, and is looking forward to garner larger share in Gems & Jewellery segment and expect to earn increasingly stable return for its shareholders.

### **C. RISKS AND CONCERNS**

Being in the filled to different activity, company has its own typical risks and the company takes full cognizance of the fact that these risks can have a

serious impact on the operation of the company as well as its profitability. In order to ensure that the impact of risks is minimal, the company lays utmost importance on scanning the external environment regularly.

### **D. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate internal control systems to ensure that all the assets are safeguarded and that all transactions are authorized recorded and reported correctly. Internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. The Audit committee of the company overviews the internal audit function and the internal control systems and procedure to ensure the efficient conduct of business. The company maintains adequate internal control systems, which is designed to provide assurance regarding effectiveness and efficiency of operations, the adequacy of safeguards of assets, reliability of financials controls and compliance with applicable laws and regulations.

### **E. CAUTIONARY STATEMENT**

The statements made in this report describe the Company's objectives and projections that may be forward looking statements within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the company. The company is not under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

### **F. HUMAN RESOURCE DEVELOPMENT**

The Company believes that the human resources are vital resource in giving the company a competitive edge in the current business environment. The company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/dissemination, creativity and responsibility. As in the past, the company enjoyed cordial relations with the employees at all levels.



## **CORPORATE GOVERNANCE REPORT**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. Company's philosophy on code of governance:**

Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability, and business propriety with the ultimate objective of increasing long term shareholders value, keeping in view the needs and interests of all other stakeholders. Toward these ends, the Company strives to follow two guiding principles.

I) The Company must not compromise on certain core values like Integrity, Statutory Compliance and Fairness in all of its internal or external dealings, transactions, financial statements or corporate announcements.

II) The Company must always remain sensitive to the long-term societal implications of its businesses.

The Company has complied in all material respects with the requirements of Corporate Governance in terms of clause 49 of the Listing Agreement executed with the Stock Exchanges.

#### **2. Board of Directors**

As of 31<sup>st</sup> March, 2012 the Company's Board comprises Five Directors, including three independent. The Board of Directors comprises of five Directors including the Managing Director, Whole Time Director and Three Non-Executive & Independent Directors. The composition of the Company's Board of Directors is in conformity with the listing agreement. The Company does not have any nominee director on its Board.

The composition of the Board of Directors and other relevant details relating to them are given hereunder:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Category</b>	<b>No. of other Directorships ##</b>	<b>No. of Members of other Board Comm.</b>	<b>No. of other Committees Chairmanships</b>
1.	*Mr. Manish N. Shah	Managing Director	1	-	-
2.	Mr. Kumarpal J. Punamiya	Whole Time Director	13	-	-
3.	Mr. Damodar Hari Pai	Non Executive & Independent	2	-	2
4.	Ms. Manisha Anand	Non Executive & Independent	-	-	-
5.	@Mr. Ravi Kant Chaturvedi	Non Executive & Independent	-	-	-
6.	\$Mr. Manoj Punamiya	Managing Director	13	-	-
7.	^Mr. Hitesh Mangilal Jain	Additional Director	-	-	-

\*Appointed as Managing Director w.e.f 24.02.2012

@ Appointed as Additional Director at the Board Meeting held on 09.02.2012

\$ Resigned from Directorship w.e.f. 16.02.2012

##Including Private Limited Company's Directorship

^Appointed as Whole Time Director w.e.f. 20.06.2012



### Board Meetings and Attendance of Directors

The day to day matters concerning the business is conducted by the Executives of the Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

Meetings are governed by a structured agenda. All agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings.

There were Thirteen (13) Board Meetings during the year ended 31st March, 2012 i.e. on 2<sup>nd</sup> April, 2011, 23<sup>rd</sup> May, 2011, 31<sup>st</sup> May, 2011, 01<sup>st</sup> August, 2011, 09<sup>th</sup> August, 2011, 02<sup>nd</sup> September, 2011, 05<sup>th</sup> October, 2011, 13<sup>th</sup> October, 2011, 11<sup>th</sup> November, 2011, 01<sup>st</sup> December, 2011, 09<sup>th</sup> February, 2012, 24<sup>th</sup> February, 2012 & 12<sup>th</sup> March, 2012. The Table hereunder gives the attendance record of the Directors at the Board Meetings held during 2010-11 and the last AGM:

Name of the Directors	Number of Board Meetings held during the year	Number of Board Meetings attended	Whether attended last AGM
*Mr. Manish N. Shah	13	2	No
Mr. Kumarpal J. Punamiya	13	13	Yes
Mr. Damodar Hari Pai	13	3	Yes
Ms. Manisha Anand	13	13	Yes
@Mr. Ravi Kant Chaturvedi	13	1	No
\$Mr. Manoj Punamiya	13	Nil	No

\*Appointed as Managing Director w.e.f 24.02.2012

\$ Resigned from Directorship w.e.f. 16.02.2012

@ Appointed as Additional Director at the Board Meeting held on 09.02.2012

##Including Private Limited Company's Directorship

The Board in additions to the review of the corporate plans, strategies, and financials takes periodical review of compliance reports of all laws applicable to the company.

### 3. AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment. The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956 and it inter alia includes the following:

- To ensure transparency, integrity, correctness, statutory compliance, and credibility of all financial statements or announcements before their submissions to the Board.
- To hold periodic discussions with statutory auditors on the scope and content of audit and to recommend the appointment, removal and remuneration of auditors.
- To review with management the adequacy of Company's internal control systems and the action taken on auditors' reports.
- To apprise the Board on the impact of accounting policies, standards and legislation.



- (e) To examine and report on the Company's financial and risk management policies and major defaults if any.

**Scope of the Audit Committee:**

1. Provide an open avenue of communication between the independent auditor and the Board of Directors ("BoD").
2. Recommending the appointment, re-appointment and if required the replacement or removal of statutory auditors, fixation of audit fees and also to approve the payment for other services.
3. Meet Four times a year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.
4. Confirm and assure the independence of the external auditor.
5. Review with independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
6. Consider and review with the independent auditor the adequacy of internal controls including the computerized information system controls and security;
7. Reviewing with the management the Quarterly financial statements before submission to the Board for approval.
8. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - a) Any changes in the accounting policies and practices
  - b) The going concern assumption
  - c) Compliance with accounting standards
  - d) Compliance with listing and other legal requirements concerning financial statements
  - e) Significant adjustment arising out of audit
  - f) Disclosure of any related party transactions.
  - g) Qualification in the draft audit report
9. Consider and review with the management and the independent auditor;
  - a) Significant findings during the year, including the status of previous audit recommendations,
  - b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information.
10. Review of the following information:
  - a) Management discussion and analysis of the financial conditions and results of operations;
  - b) Statement of significant related party transactions submitted by the management;
  - c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors
11. To look into the reasons for substantial default in the payment to the depositors, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of Audit Committee.





### Composition of the Audit Committee

The Terms of Reference of the Audit Committee are in accordance with the guidelines set out in the listing agreements with the Stock Exchanges. The statutory auditors are invited to the Audit Committee Meetings whenever required. The quorum for the Audit Committee Meeting is two members.

The composition of the reconstituted Audit Committee as on date of this report is as follows:

Ms. Manisha Anand	Chairperson, Independent & Non Executive
Mr. Damodar Hari Pai	Member, Independent & Non Executive
Mr. Kumarpal J. Punamiya	Member, Whole Time Director

### Audit Committee Meetings & Attendance during the financial year ended 31<sup>st</sup> March, 2012

During the financial year ended 31<sup>st</sup> March, 2012, Four Audit Committee Meetings were held on May 31, 2011, August 09, 2011, November 11, 2011, and February 09, 2012. The table hereunder gives the attendance record of the Audit Committee members.

Name of the Audit Committee Members	No. of meetings held	No. of meetings attended
Ms. Manisha Anand	4	4
Mr. Damodar Hari Pai	4	3
Mr. Kumarpal J. Punamiya	4	4

The Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the applicable accounting standards and for issuing a report thereon. The Committee's responsibility is to monitor these processes. The Committee is also responsible to oversee the processes related to the financial reporting and information dissemination, in order to ensure that the financial statements are true, correct, sufficient and credible.

## 4. REMUNERATION OF DIRECTORS

### Scope of Remuneration Committee:

To Determine on behalf of the Board and shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payments. To Consider and recommend to Board commission/ other remuneration package for the Non-Executive Chairman of the Company and such other matters concerning remuneration as may be referred by the Board from time to time.

### Composition:

The Composition of the reconstituted Remuneration Committee as on date of this report is as follows:

Ms. Manisha Anand	Chairperson, Independent & Non Executive
Mr. Damodar Hari Pai	Member, Independent & Non Executive
Mr. Ravi Kant Chaturvedi	Member, Independent & Non Executive



The details of remuneration paid to the Directors during the Financial Year 2011-12 are given below:

Name of the Director	Salary	Sitting Fees Paid (Rs.)		No. of shares held as on 31 <sup>st</sup> March, 2012
		Board Meeting	Audit Committee	
Mr. Manoj Punamiya	Nil	Nil	Nil	45,10,000
Mr. Manish N. Shah	Nil	Nil	Nil	Nil
Mr. Kumarpal J. Punamiya	2,40,000	Nil	Nil	Nil
Mr. Damodar Hari Pai	N.A.	6,000	Nil	Nil
Ms. Manisha Anand	N.A.	26,000	Nil	Nil
Mr. Ravi Kant Chaturvedi	N.A.	2,000	Nil	Nil

Apart from the sitting fees that are paid to the non-executive directors for attending the board meetings, no other fees / commission were paid during the year. No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

#### 5. SHAREHOLDER'S CUM INVESTORS GRIEVANCE COMMITTEE

The Committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Shareholder's Cum Investors Grievance Committee was headed by Mr. Kumarpal Javerchand Punamiya. The composition of the reconstituted Shareholders' Cum Investors Grievance Committee is as under:

Mr. Kumarpal J. Punamiya	Chairman, Whole time Director
Mr. Damodar Hari Pai	Member, Independent & Non Executive
Ms. Manisha Anand	Member, Independent & Non Executive

#### Meetings and Attendance:

Four Shareholders/Investors Grievance Committee Meetings were held during the year ended March 31, 2012. All the members of the Committee were present in all the Meetings held during the year.

The Committee expresses satisfaction with the Company's performance in dealing with investors' grievance and its share transfer system.

Status of number of shareholders' complaints received, pending & redressed is as under:

(i) No. of Shareholder's complaints received	1
(ii) No. of complaints not redressed and pending as on date	Nil
(iii) No. of share transfers pending for more than a fortnight	Nil

#### 6. GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held are given below:



Financial Year	Date	Location of the Meeting	Time
2008-2009	08/08/2009	Conference Hall, 18 <sup>th</sup> Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	11.00 A.M.
2009-2010	29/10/2010	Conference Hall, 18 <sup>th</sup> Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	11.00 A.M.
2010-2011	29/09/2011	Conference Hall, 18 <sup>th</sup> Floor, C Wing, Mittal Tower, Nariman Point, Mumbai- 400 021.	3.00 P.M.

## 7. DISCLOSURES

The Company has been complying with all statutory requirements and no penalties or strictures have been imposed on it by SEBI, BSE or any regulatory or statutory body on any matter.

### Related Party Transactions:

Your Company places all the aforesaid details before the Audit Committee periodically. A comprehensive list of related party transactions as required by the Accounting Standard (AS) 18 issued by the Institute of Chartered Accountants of India, forms part of the Note No.24 of financial statements. However, these transactions are not likely to have any conflict with the interests of the Company at large.

## 8. MEANS OF COMMUNICATION

(i) The quarterly results of the Company are published in two newspapers in compliance with the provisions of Clause 41 of the listing agreement. Generally, the same are published in Business Standard (English language) and Mumbai Lakshadweep (Marathi language) in Mumbai. As the results of the Company are published in the newspapers, half-yearly reports are not sent to each household of shareholders. The quarterly results as well as the proceedings of the Annual General Meeting are submitted to the Bombay Stock Exchange Limited, immediately after the conclusion of the respective meeting.

All Important information relating to company and its performance including the financial results and shareholding patterns are displayed on the company's website [www.ricl.in](http://www.ricl.in). The website also displays all official press releases issued by the company.

(i) No presentations were made to the institutional investors or to analysts during the year under review.

(ii) The Management Discussion and Analysis Report form a part of this Annual Report.

(iii) Financial Calendar (tentative and subject to change)

Financial reporting for quarter ended	
June 30, 2012	by August 14, 2012
September 2012	by November 15, 2012
December 2012	by February 15, 2013
March 2013	by May 30, 2013
Annual General Meeting for the year ended 31st March 2013 – on or before September 30, 2013	



## 9. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

### (I) Management Discussion And Analysis

A management discussion and analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV) (F) of the Listing Agreement.

### (II) Secretarial Audit For Reconciliation Of Capital

A qualified Practicing Company Secretary has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialised shares held with NSDL and CDSL. The Company had submitted the secretarial audit report to BSE and NSE within 30 days from the end of each quarter in accordance with the SEBI requirements

### (III) Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreement, a certificate from the Statutory Auditors regarding compliance with all the conditions of Corporate Governance norms is given as an annexure to this Report.

### (IV) CEO Declaration:

As required by Clause 49 of the Listing Agreement, declaration by Managing Director on compliance of the Company's code of conduct is provided as an Annexure to Report.

## 10. GENERAL SHAREHOLDER INFORMATION

<b>i.</b>	Date and time of Annual General Meeting of Shareholders	Friday, 7 <sup>th</sup> September, 2012 at 11.00 a.m.
<b>ii.</b>	Dates of book closures	Tuesday, 4 <sup>th</sup> September, 2012 to Friday, 7 <sup>th</sup> September, 2012 (both days inclusive)
<b>iii.</b>	Venue of AGM	Conference Hall, 18th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai: 400 021
<b>iv.</b>	Listing on stock exchanges	The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.  There is no default in payment of Annual Listing Fees as prescribed.
<b>v.</b>	Stock Exchange Code	512047 (Bombay Stock Exchange Limited)
<b>vi.</b>	Financial year	April to March
<b>vii.</b>	Dividend payment date	N.A.



**Share Transfer System:**

All share transfer, dematerialization and related work is managed by a common agency, Link Intime India Private Limited, Bhandup (W), Mumbai-78. Shareholders are requested to send all share transfer requests, demat/remat requests, correspondence relating to shares i.e. change of address, Power of Attorney, etc. to the registrar and transfer agents.

**Market Price Data (Monthly High/Low on BSE):**

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades
April 2011	36.00	30.60	28,860	144
May 2011	41.95	29.90	96,506	345
June 2011	44.00	33.50	6,093	144
July 2011	44.00	35.00	1,864	81
August 2011	35.25	30.70	3,907	60
September 2011	33.90	27.35	67,165	81
October 2011	37.55	29.50	4,96,146	490
November 2011	50.55	33.00	7,17,965	831
December 2011	39.50	35.90	21,76,902	643
January 2012	49.05	36.05	19,09,987	595
February 2012	62.50	49.70	4,85,600	608
March 2012	62.90	41.00	4,36,824	984

Comparative Performance: No meaningful comparison is possible with any index.

**(I) CATEGORY-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012**

CATEGORY	SHAREHOLDERS		SHARES	
	Number	% to total Shareholders	Number	% to total Capital
<b>PROMOTERS HOLDING</b>				
Indian Promoters	5	0.54	1,11,66,184	48.38
<b>Total of promoter holding</b>	<b>5</b>	<b>0.54</b>	<b>1,11,66,184</b>	<b>48.38</b>
<b>NON-PROMOTER HOLDING</b>				
<u>Institutional Investors</u>	-	-	-	-
Banks	-	-	-	-
FIIs	-	-	-	-
<u>Others</u>	63	6.56	13,89,142	6.02
Corporate Bodies	868	90.41	1,03,60,409	44.89
Indian Public	3	0.31	350	-
NRIs / OCBs	21	2.18	1,63,915	0.71
Clearing Member	-	-	-	-
<b>Total of non-promoter holding</b>	<b>955</b>	<b>100.00</b>	<b>1,19,13,816</b>	<b>51.62</b>
<b>Grand Total</b>	<b>960</b>	<b>100.00</b>	<b>2,30,80,000</b>	<b>100.00</b>





**(II) SLAB-WISE DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012**

<b>NOMINAL VALUE OF RS.</b>	<b>SHAREHOLDERS NUMBER</b>	<b>% OF TOTAL</b>	<b>NO. OF SHARES (Rs.10 each)</b>	<b>% TO EQUITY</b>
1 - 5000	509	52.91	8,03,880	0.3480
5001 - 10000	108	11.23	9,08,480	0.3940
10001 - 20000	63	6.54	9,89,420	0.4290
20,001 - 30,000	43	4.47	11,58,680	0.5020
30,001 - 40,000	12	1.24	4,37,420	0.1900
40,001 - 50,000	25	2.60	11,97,470	0.5190
50,001 - 1,00,000	46	4.78	35,40,340	1.5340
1,00,001 & Above	156	16.21	221764310	96.0850
<b>TOTALS</b>	<b>962</b>	<b>100.000</b>	<b>23,08,00,000</b>	<b>100.000</b>

**11. DEMATERIALIZATION OF SHARES**

The Company's shares are available for trading in dematerialized form under both the Depository Systems - NSDL and CDSL. Connectivity with both NSDL and CDSL is provided by Link Intime India Pvt. Ltd., Mumbai - 400 078 under tripartite agreements. The distribution of dematerialized and physical shares as on March 31, 2012 was as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of shares</b>	<b>%</b>
1.	Dematerialized Shares		
	NSDL	1,87,46,958	81.23
	CDSL	40,71,922	17.64
2.	Physical Shares	2,61,120	01.13
	<b>Total</b>	<b>2,30,80,000</b>	<b>100.00</b>

Outstanding GDR/ADR/Warrants/Convertible instruments etc:

There are no outstanding securities as at 31<sup>st</sup> March 2012.

**12. PLANT LOCATION**

The Company does not have any Plant.

**13. INVESTORS CORRESPONDENCE:**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L. B. S. Marg, Bhandup (West),  
Mumbai - 400078  
Tel No: (022) 25963838  
Fax No: (022) 2594 6969  
Email-id: rnt.helpdesk@linkintime.co.in



**CERTIFICATE ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the Board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the current year.

**For ROYAL INDIA CORPORATION LIMITED**

Sd/-

**Whole Time Director**

Place: Mumbai

Date: 8<sup>th</sup> August, 2012

**CERTIFICATE FROM THE AUDITORS OF THE COMPANY**

**Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To,

The Members of Royal India Corporation Limited.

We have examined the compliance of conditions of Corporate Governance by Royal India Corporation Limited (the Company) for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our information and 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 in respect of investor grievances received during the year ended March 31, 2012, no investor grievances are pending against the Company as on September 3, 2012 as per the records maintained by the Company and presented to the Shareholder's/Investors' Grievance Committee.
- We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For DMKH & Co.**

Chartered Accountants

Firm Reg. No. – 116886W

Sd/-

**CA Omprakash Somani**

Partner

M. No. 123830

Place : Mumbai.

Date : 8<sup>th</sup> August, 2012



## AUDITOR'S REPORT

To,  
The Members of **ROYAL INDIA CORPORATION LIMITED** (Formerly known as NATRAJ FINANCIAL & SERVICES LIMITED)

1. We have audited the attached Balance Sheet of **ROYAL INDIA CORPORATION LIMITED (Formerly Known As Natraj Financial & Services Limited)** as at 31<sup>st</sup> March 2012 and also the statement of Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In Accordance with the provisions of Section 227 of the Companies Act, 1956, we report that:

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to above, we report that:
  - I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- II. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of these books.
- III. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- IV. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
- V. On the basis of the information and explanations given to us, and on the basis of written representations received from the Directors and taken on record, none of the directors of the company is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i) In the case of the Balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012.
  - ii) In the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For DMKH & Co.**  
Chartered Accountants  
Firm Reg. No. – 116886W

Sd/-  
**CA Omprakash Somani**  
Partner  
M. No. 123830  
Place : Mumbai.  
Date : 30<sup>th</sup> May, 2012



**ANNEXURE REFER TO IN PARAGRAPH 1 OF OUR REPORT DATED 30<sup>th</sup> MAY, 2012,  
TO THE MEMBERS OF ROYAL INDIA CORPORATION LIMITED  
(Formerly Known As NATRAJ FINANCIAL & SERVICES LIMITED)**

1. (a) The Company has maintained proper records showing full Particulars, including quantitative details and situation of fixed Assets on the basis of information available.  
(b) As explained to us, all the fixed assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.  
(c) In our opinion and according to information and explanation given to us no substantial part of fixed asset has been disposed off by the company during the year and the going concern status of the company is not affected.
2. (a) As explained to us, the inventory of the company has been physically verified by the management In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.  
(c) In our opinion, the company is maintaining proper records of inventory. As per the information and explanations provided to us and having regard to the size of the company, no material discrepancies have been noticed on physical verification of inventory as compared to book records.
3. (a) The Company has not granted any loans to party covered in register maintained under section 301 of the Companies Act, 1956, hence Para (b) to (d) of the clause 4 (iii) of the order is not applicable to the company.  
(b) The Company has not taken loans from party covered in the register maintained under Section 301 of the Companies Act, 1956, hence Para (f) to (g) of the clause 4 (iii) of the order is not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. (a) In respect of transactions covered under section 301 of the Companies Act, 1956. In our opinion and according to the information given to us, there are no such transactions made in pursuance of contracts or arrangements that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956, hence Para (b) of the clause 4 (v) of the order is not applicable to the company.
6. The Company has not accepted any deposits during the year and consequently the provision of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
7. In our opinion, the Company has an Internal Audit System commensurate with the size and nature of the business.
8. We have been informed that the maintenance of cost records has not been prescribed by the central government under section 209(1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanation given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable.  
b) According to the information and explanation given to us no undisputed statutory dues including income tax, sales tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues applicable were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable.



(c) According to the information and explanation given to us, there are no dues of income tax, sales tax, customs duty, wealth tax, service

tax, excise duty and cess which has been deposited on account of any dispute except the below :

Name of the Statute	Nature of the Dues	Amount Disputed ₹	Year to which amount related	Forum which Dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	3,46,14,261/-	A. Y. 2007-08	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax and Interest thereon (Substantive Addition)	9,77,02,258/-	A. Y. 2010-11	Commissioner of Income Tax (Appeal)
Bombay Stamp Act, 1958	Stamp Duty	30,75,492/-	F.Y. 2010-11	Dy. Superintendant of Stamps

10. The Company does not have any accumulated losses at the end of the year. The company has not incurred any cash losses for the year under review and immediately preceding such current year.
11. According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to Financial Institution or Banks.
12. We are informed that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and the securities. Accordingly the provisions of the clause 4 (xii) of the order are not applicable to the company.
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly the provisions of the clause 4 (xiii) of the order are not applicable to the company.
14. In our opinion, the company has maintained proper records of the transactions and contracts of the investments dealt in by the company and timely entries have been made therein. The investments made by the company are held in its own name.
15. According to the information and explanation given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanation given and based on the documents and records produced, on an overall basis, the company does not have any term loans for the given period, Accordingly the provisions of the clause 4 (xvi) of the order are not applicable to the company.

17. According to the information and explanations provided to us and an overall examination of the balance sheet and the cash flow statement of the Company, in our opinion no funds raised on short term have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of the clause 4 (xviii) of the order are not applicable to the company.
19. According to the information and explanations provided to us, during the year the Company has not issued any Debentures. Accordingly the provisions of the clause 4 (xix) of the order are not applicable to the company.
20. According to the information and explanations provided to us, during the year the Company has not raised any money by way of public issues. Accordingly the provisions of the clause 4 (xx) of the order are not applicable to the company.
21. Based upon the Audit procedures performed and information and explanation given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For DMKH & Co.**

Chartered Accountants  
Firm Reg. No. – 116886W

Sd/-

**CA Omprakash Somani**

Partner

M. No. 123830

Place : Mumbai.

Date : 30<sup>th</sup> May, 2012





**BALANCE SHEET**  
As at 31<sup>st</sup> March, 2012

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
		₹	₹
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	3	23,08,00,000	23,08,00,000
(b) Reserves and Surplus	4	3,54,88,023	12,49,45,111
<b>(2) Share Application money pending allotment</b>		-	-
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	5	18,00,000	18,00,000
(b) Deferred Tax Liabilities (Net)		1,01,108	1,21,969
<b><u>(4) Current Liabilities</u></b>			
(a) Trade Payables	6	21,56,18,435	89,78,706
(b) Other Current Liabilities	7	6,76,602	11,11,263
(c) Short-Term Provisions	8	57,21,852	17,78,252
<b>Total Equity &amp; Liabilities</b>		<b>59,02,06,020</b>	<b>36,95,35,301</b>
<b>II. ASSETS</b>		₹	₹
<b><u>(1) Non-Current Assets</u></b>			
(a) Fixed Assets	9		
Tangible Assets		20,48,282	24,62,570
(b) Non-current investments		-	50,00,000
(c) Long term loans and advances	10	13,32,02,152	26,28,89,227
(d) Other non-current assets	11	6,39,137	9,01,764
<b><u>(2) Current Assets</u></b>			
(a) Inventories	12	8,42,90,000	41,91,000
(b) Trade receivables	13	36,97,69,528	916,57,292
(c) Cash and cash equivalents	14	2,56,921	24,33,448
<b>Total Assets</b>		<b>59,02,06,020</b>	<b>36,95,35,301</b>
<b>CORPORATE INFORMATION</b>	1		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		

*The accompanying notes are an integral part of the financial statements.*

**For DMKH & Co.**

Chartered Accountants  
Firm Reg. No. 116886W

Sd/-

**CA Omprakash Somani**

Partner

Membership No. 123830

30<sup>th</sup> May, 2012, Mumbai.

**For and on behalf of Board of Directors**

Sd/-

**Manish Shah**

Managing Director

Sd/-

**Kumarpal Punamiya**

Whole-time-Director

Sd/-

**Shweta Agrawal**

Company Secretary



## STATEMENT OF PROFIT AND LOSS

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			₹	₹
I	Revenue from operations	15	1,07,38,56,985	64,68,88,589
II	Other Income	16	10,07,08,242	35,30,283
III	<b>Total Revenue (I + II)</b>		<b>1,17,45,65,227</b>	<b>65,04,18,872</b>
IV	<b>Expenses:</b>			
	Purchases	17	1,23,14,49,930	64,25,86,589
	Changes in inventories of Stock-in-Trade	18	(8,00,99,000)	(41,91,000)
	Employee Benefit Expense	19	8,50,800	8,79,000
	Financial Costs	20	15,830	28,867
	Depreciation and Amortization Expense	9	4,14,288	4,14,288
	Other Administrative Expenses	21	72,85,451	36,52,439
	<b>Total Expenses (IV)</b>		<b>1,15,99,17,299</b>	<b>64,33,70,183</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>1,46,47,928</b>	<b>70,48,689</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>1,46,47,928</b>	<b>70,48,689</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>1,46,47,928</b>	<b>70,48,689</b>
X	<b>Tax expense:</b>			
	(1) Current tax		42,00,000	10,25,000
	(2) Deferred tax		(20,861)	(10,328)
	(3) Previous Years Adjustments		(74,123)	-
XI	Profit from the period	(IX-X)	<b>1,05,42,912</b>	<b>60,34,017</b>
XII	Basic and Diluted Earning Per Share		0.46	0.33
	<b>CORPORATE INFORMATION</b>	1		
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		

The accompanying notes are an integral part of the financial statements.

**For DMKH & Co.**

Chartered Accountants  
Firm Reg. No. 116886W

Sd/-

**CA Omprakash Somani**  
Partner  
Membership No. 123830  
30<sup>th</sup> May, 2012, Mumbai.

**For and on behalf of Board of Directors**

Sd/-

**Manish Shah**  
Managing Director

Sd/-

**Kumarpal Punamiya**  
Whole-time-Director

Sd/-

**Shweta Agrawal**  
Company Secretary

**CASH FLOW STATEMENT**For the year ended 31<sup>st</sup> March, 2012

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>A. Cash Flow from Operating Activities</b>		
Net profit before Tax as per Profit & Loss Account	1,46,47,928	70,48,689
Adjusted for:		
Depreciation	4,14,288	4,14,288
(Profit) on Sale of Investment	(10,00,00,000)	(40,47,740)
Share Issue Expenses written off	2,62,627	3,26,934
<b>Operating Profit before Working Capital Changes</b>	<b>(8,46,75,157)</b>	<b>37,42,171</b>
Adjusted for:		
(Increase) in Stock in trade	(8,00,99,000)	(41,91,000)
(Increase)/ Decrease Trade and Other receivables	(14,84,25,161)	10,26,64,956
(Increase)/ Decrease Trade Payables	20,62,05,068	(10,57,77,702)
Provisions	(1,82,277)	-
	(2,25,01,370)	(73,03,746)
<b>Cash Flow from Operating Activities (A)</b>	<b>(10,71,76,527)</b>	<b>(35,61,575)</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale of Investment	10,50,00,000	53,79,129
<b>Net Cash from Investing Activities (B)</b>	<b>10,50,00,000</b>	<b>53,79,129</b>
<b>C. Cash Flow from Financing Activities</b>		
Share Issue Expenses	-	(6,23,000)
<b>Net Cash used in Financing Activities (C)</b>	<b>-</b>	<b>(6,23,000)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>24,33,449</b>	<b>12,38,895</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(21,76,527)</b>	<b>11,94,554</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>2,56,921</b>	<b>24,33,449</b>

**For DMKH & Co.**Chartered Accountants  
Firm Reg. No. 116886W

Sd/-

**CA Omprakash Somani**

Partner

Membership No. 123830

30<sup>th</sup> May, 2012, Mumbai.**For and on behalf of Board of Directors**

Sd/-

**Manish Shah**

Managing Director

Sd/-

**Kumarpal Punamiya**

Whole-time-Director

Sd/-

**Shweta Agrawal**

Company Secretary



## **NOTES TO FINANCIAL STATEMENT**

**For the year ended 31<sup>st</sup> March, 2012**

### **1. CORPORATE INFORMATION**

Royal India Corporation Limited is engaged in the business of Real Estate, Investments and Bullion Trading. Further during the year company has applied for the mines and also under the process of setting up Manufacturing unit in Mumbai.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of Accounting and preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### **2.2 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **2.3 Inventories**

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

#### **2.4 Cash and Cash Equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand, Cash at bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of

three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.5 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **2.6 Depreciation and Amortization**

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Vehicles - 4 years

Computers and data processing equipments - 4 years

Assets costing less than 5,000 each are fully depreciated in the year of capitalization

#### **2.7 Revenue Recognition**

All incomes and expenditure are recognised as per 'Accounting Standard-9' accounted on accrual basis except where stated otherwise.

Dividends on investments are accounted for when the right to receive the dividend is established.

#### **2.8 Fixed Assets**

Fixed assets are stated at cost of acquisition or construction. All cost relating to the acquisition and installation of fixed assets are capitalized and includes borrowing cost directly attributable to company.

#### **2.9 Employee Benefits**

I. P.F and E.S.I.C Scheme is not applicable to the company.

II. Gratuity is accounted as and when it becomes due.

#### **2.10 Segment Reporting**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.



## **NOTES TO FINANCIAL STATEMENT**

**For the year ended 31<sup>st</sup> March, 2012**

The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets/ liabilities".

### **2.11 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

Current investments are carried individually, at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.

### **2.12 Borrowing Cost**

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account.

### **2.13 Taxes on Income**

Current Tax is determined as the tax payable in respect of taxable income for the year, if any. Deferred tax for the year is recognised on timing difference; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognized and

Carried forward only if there is a reasonable/virtual certainty of realisation.

Current and deferred taxes relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

### **2.14 Provisions and Contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### **2.15 Hedge Accounting**

The Company uses Commodity forward/Future contracts to hedge its risks associated with gold price fluctuations relating to stock held in trade. The cost of the hedging has been accounted under the head purchases.

### **2.16 Derivative Contracts**

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing stock in trade and highly probable transactions.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

### **2.17 Share Issues Expenses/ Miscellaneous Expenditure**

The share issue expenses are carried as an asset and is amortised over a period of 5 years from the date of the issue of shares.



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	As on 31.03.2012		As on 31.03.2011	
		₹		₹	
<b>NOTE : 3 SHARE CAPITAL</b>					
<b>1) <u>Authorised Capital</u></b>					
	2,40,00,000 Equity Shares of Rs. 10/- each.		24,00,00,000		24,00,00,000
			24,00,00,000		24,00,00,000
<b>2) <u>Issued, Subscribed &amp; Paid up Capital</u></b>					
	2,30,80,000 Equity Shares of Rs.10/- each fully paid		23,08,00,000		23,08,00,000
	<b>Total in ₹</b>		<b>23,08,00,000</b>		<b>23,08,00,000</b>
<b>3) <u>Reconciliation of the number of shares and amount</u></b>					
<b>Equity Shares:</b>		<b>As on 31.03.2012</b>		<b>As on 31.03.2011</b>	
		<b>Nos.</b>	<b>₹</b>	<b>Nos.</b>	<b>₹</b>
	Opening Balance	2,30,80,000	23,08,00,000	1,18,00,000	11,80,00,000
	<i>Transferred form Share Suspense Ac.</i>	-	-	1,12,80,000	11,28,00,000
	<b>Closing Balance</b>	<b>2,30,80,000</b>	<b>23,08,00,000</b>	<b>2,30,80,000</b>	<b>23,08,00,000</b>
<b>4) <u>Details of the Shareholder holding more than 5% Shares</u></b>					
<b>Name of the Shareholder</b>		<b>As on 31.03.2012</b>		<b>As on 31.03.2011</b>	
		<b>Nos.</b>	<b>%</b>	<b>Nos.</b>	<b>%</b>
I.	Manoj Punamiya	45,10,000	19.54%	61,06,000	26.46%
II.	Lata M. Jain	29,39,339	12.74%	52,64,000	22.81%
III.	Hillview Impes Private Limited	18,04,245	7.82%	18,04,245	7.82%
IV.	Shri Baiju Trading & Investment Private Limited	19,10,000	8.28%	19,10,000	8.28%
<b>5)</b>	Pursuant to the scheme of Amalgamation of Luxury Export Private Limited with the company 1,12,80,000 equity shares of Rs.10 each was issued to the shareholders of M/s. Luxury Exports Private Limited as fully paid up in the year 2010-11				
<b>NOTE : 4 RESERVE AND SURPLUS</b>					
1	Capital Reserve	(A)	30,00,000		30,00,000
2	Securities Premium reserve	(B)	11,05,30,000		11,05,30,000
3	Surplus (Profit & Loss Account)				
	Balance brought forward from previous year		1,14,15,111		53,81,094
	Add: Profit for the year		1,05,42,912		60,34,017
	Total	(C)	2,19,58,023		1,14,15,111
	<b>Total in ₹</b>	<b>(A+B+C)</b>	<b>13,54,88,023</b>		<b>12,49,45,111</b>
<b>NOTE : 5 LONG TERM BORROWINGS</b>					
1	Unsecured Inter-corporate Deposits		18,00,000		18,00,000
	<b>Total in ₹</b>		<b>18,00,000</b>		<b>18,00,000</b>





**NOTES TO FINANCIAL STATEMENT**

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		₹	₹
<b>NOTE : 6 TRADE PAYABLE</b>			
<b><u>Sundry Creditors for Material/Supplies:</u></b>			
1	Sundry Creditors for Material	21,39,77,155	73,40,476
2	Sundry Creditors for Services	16,41,280	16,38,230
	<b>Total in ₹</b>	<b>21,56,18,435</b>	<b>89,78,706</b>

**NOTE : 7 OTHER CURRENT LIABILITIES**

1	Salary Payable	63,827	-
2	Bombay Stock Exchange	2,90,043	2,90,043
3	GVAT Payable	703	-
4	MVAT Payable	-	2,543
5	Profession Tax Payable	3,400	5,600
6	TDS Payable	43,556	2,26,207
7	Other	2,75,073	5,86,870
	<b>Total in ₹</b>	<b>6,76,602</b>	<b>11,11,263</b>

**NOTE : 8 SHORT TERM PROVISIONS**

**1) Provision**

	Provision for Income Tax	57,21,852	16,89,129
	Provision for Fringe Benefit Tax	-	89,123
	<b>Total in ₹</b>	<b>57,21,852</b>	<b>17,78,252</b>

**NOTE : 9 FIXED ASSET**

Sr. No.	Particulars	Rate	Gross Block				Depreciation				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
	<b>Tangible Assets</b>											
1	Plant and Equipment	16.21%	64,840	-	-	64,840	44,926	10,511	-	55,437	9,403	19,914
2	Vehicles	9.50%	42,50,288	-	-	42,50,288	18,07,632	4,03,777	-	22,11,409	20,38,879	24,42,656
	<b>TOTAL</b>		<b>43,15,128</b>	<b>-</b>	<b>-</b>	<b>43,15,128</b>	<b>18,52,558</b>	<b>4,14,288</b>	<b>-</b>	<b>22,66,846</b>	<b>20,48,282</b>	<b>24,62,570</b>
	(Previous Year)		43,15,128	-	-	43,15,128	14,38,271	4,14,288	-	18,52,559	24,62,570	28,76,857



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		₹	₹
<b>NOTE : 10 LONG TERM LOANS AND ADVANCES</b>			
<b>I)</b>	<b>Capital Assets</b>	-	-
<b>II)</b>	<b>Security Deposit</b> (Unsecured, Consider Good)		
	Deposits for GVAT	2,00,000	-
	Deposits for MVAT	25,000	25,000
	BSE Base Capital Adequacy Funds	5,00,000	5,00,000
	BSE Broker Contingency Funds	2,50,000	2,50,000
	BSE Initial Margin Money	10,000	10,000
	BSE Membership Security Deposits	5,00,000	5,00,000
	BSE Trade Guarantee Funds	10,00,000	10,00,000
	BSE Deposit	1,00,00,000	1,00,00,000
		<b>1,24,85,000</b>	<b>1,22,85,000</b>
<b>III)</b>	<b>Loans &amp; Advances for Property</b> (Unsecured, Consider Good)	10,94,20,000	17,44,20,000
		<b>10,94,20,000</b>	<b>17,44,20,000</b>
<b>IV)</b>	<b>Advance Income Tax</b> (Unsecured, Considered good)		
	Self Assessment Tax	10,35,547	-
	Assessment Fees paid	-	11,000
	TDS Receivable	10,23,807	21,20,032
	Income tax Refundable	9,98,067	-
	Advance FBT	-	15,000
		<b>30,57,421</b>	<b>21,46,032</b>
<b>V)</b>	<b>Balance with Government Authorities</b> (Unsecured, Considered good)		
	MVAT Credit Receivable	8,27,110	-
	Franking Charges Receivable	-	67,11,710
		<b>8,27,110</b>	<b>67,11,710</b>
<b>VI)</b>	<b>Other Loans &amp; Advances</b> (Unsecured, Considered good)	74,12,621	6,73,26,485
		<b>74,12,621</b>	<b>6,73,26,485</b>
	<b>Total in ₹</b>	<b>13,32,02,152</b>	<b>26,28,89,227</b>
<b>NOTE : 11 OTHER NON CURRENT ASSETS</b>			
1	Deferred Revenue Expenditure	10,207	15,311
2	Prefential Issue Expenses	2,52,000	3,78,000
3	Preliminary Expenses	3,76,930	5,04,660
4	Misc. Expenditure	-	3,793
	<b>Total in ₹</b>	<b>6,39,137</b>	<b>9,01,764</b>



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		₹	₹
<b>NOTE : 12 INVENTORIES</b>			
1	Stock-in-Trade	8,42,90,000	41,91,000
	<b>Total in ₹</b>	<b>8,42,90,000</b>	<b>41,91,000</b>
<b>NOTE : 13 TRADE RECIEVABLES</b>			
1)	<b>Outstanding for more than six months</b>		
	Unsecured, Considered Good	-	30,89,877
2)	<b>Others</b>		
	Unsecured, Considered Good	36,97,69,528	8,85,67,415
	<b>Total in ₹</b>	<b>36,97,69,528</b>	<b>9,16,57,292</b>
<b>NOTE : 14 CASH &amp; CASH EQUIVALENT</b>			
1)	<b>Cash-in-Hand</b>		
	Cash Balance	1,38,155	5,25,801
	Sub-Total (A)	<b>1,38,155</b>	<b>5,25,801</b>
2)	<b>Bank Balances</b>		
		1,18,767	19,07,647
	Sub-Total (B)	<b>1,18,767</b>	<b>19,07,647</b>
	<b>Total in ₹ (A+B)</b>	<b>2,56,922</b>	<b>24,33,448</b>
<b>NOTE : 15 REVENUE FROM OPERATIONS</b>			
1	Gold Bar	1,07,33,34,707	64,15,09,460
2	Silver Bar	5,22,278	-
3	Shares	-	53,79,129
	<b>Total in ₹</b>	<b>1,07,38,56,985</b>	<b>64,68,88,589</b>
<b>NOTE : 16 OTHER INCOME</b>			
1	Profit on sale of Investment	10,00,00,000	-
2	Interest Income	6,91,187	35,22,033
3	Divided Income	-	8,250
4	Other Income	17,055	-
	<b>Total in ₹</b>	<b>10,07,08,242</b>	<b>35,30,283</b>
<b>NOTE : 17 PURCHASES</b>			
1	Gold Bar	1,15,59,77,735	64,12,55,200
2	Silver Bar	5,19,915	-
3	Shares	-	13,31,389
4	Hedging Cost	7,49,52,280	-
	<b>Total in ₹</b>	<b>1,23,14,49,930</b>	<b>64,25,86,589</b>



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		₹	₹
<b>NOTE : 18 CHANGE IN INVENTORIES</b>			
1	Opening Stock	41,91,000	-
2	Closing Stock	8,42,90,000	41,91,000
	<b>Total in ₹</b>	<b>8,00,99,000</b>	<b>41,91,000</b>
<b>NOTE : 19 EMPLOYMENT BENEFIT EXPENSES</b>			
1	Salaries	6,10,800	5,49,000
2	Directors Remuneration	2,40,000	3,30,000
	<b>Total in ₹</b>	<b>8,50,800</b>	<b>8,79,000</b>
<b>NOTE : 20 FINANCIAL COST</b>			
1	Bank Interest	417	1,368
2	Bank Charges	9,400	27,499
3	Bank Guarantee Charges	6,013	-
	<b>Total in ₹</b>	<b>15,830</b>	<b>28,867</b>
<b>NOTE : 21 OTHER ADMINISTRATIVE EXPENSES</b>			
1	Advertisement & Publicity	68,684	53,440
2	Auditors Remuneration	86,517	71,695
3	Brokerage & Commission	-	4,20,881
4	BSE charges & Annual Fees	27,575	36,399
5	Conveyance	63,145	-
6	Custodial Fees	1,27,875	1,40,522
7	Franking Charges Receivables written off	6,71,225	-
8	Legal & Professional Charges	3,48,873	19,45,756
9	Motor Car Expenses	60,000	-
10	Miscellaneous Expenses	-	59,247
11	Miscellaneous / Preliminary Exp. Written off	2,62,627	3,26,934
12	Office & General Expenses	69,258	-
13	Printing & Stationery Expenses	98,257	1,18,455
14	Rent	2,16,000	1,92,000
15	Repair & Maintenance	1,05,275	13,811
16	ROC Expenses	4,500	-
17	Share Transfer Fees	1,31,250	-
18	Sundry balance Written off	48,16,205	2,36,550
19	Telephone Expenses	43,464	36,749
20	Travelling Expenses	84,721	-
	<b>Total in ₹</b>	<b>72,85,451</b>	<b>36,52,439</b>



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

Sr. No.	Particulars	As on 31.03.2012	As on 31.03.2011
		₹	₹
<b>NOTE : 21.1 AUDITORS REMUNERATION</b>			
1	Statutory Audit Fees	44,000	40,000
2	Tax Audit Fees	16,500	15,000
3	VAT Audit Fees	11,000	10,000
4	Service Tax	15,017	6,695
	<b>Total in ₹</b>	<b>86,517</b>	<b>71,695</b>

### NOTE : 22 DEFERRED TAX

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax

Particulars :	As at 1 <sup>st</sup> April, 2011	Credit (Charge) for the year	As at 31 <sup>st</sup> March, 2012
Due to difference in Depreciation as per Income Tax Act and Companies Act	1,21,969	(20,861)	1,01,108

### NOTE : 23 EARNING PER SHARE

The company has not issued potential equity shares, accordingly, basic and diluted earnings per share are same:

Particulars :	2011-12	2010-11
Net Profit after Tax (₹)	1,05,42,912	60,34,017
Weighted Average No. of Equity Shares for computing Basic & Diluted EPS	2,30,80,000	1,86,91,616
Nominal Value of Share (₹)	10	10
Basic and diluted Earnings per share (₹)	0.46	0.33

### NOTE : 24 RELATED PARTY DISCLOSURE

#### 1. Details of the Related Party

##### A) Key Management Personnel

- I) Manoj Punamiya#
- II) Kumarpal Punamiya
- III) Manish Shah

##### B) Companies/ Firms in which KMP can exercise influence.

- I) Balaji Universal Tradelink Private Limited
- II) Balaji Bullions & Commodities (I) Private Limited
- III) Balaji Lifestyle Realtors Private Limited
- IV) Balaji Propbuilders Private Limited
- V) Balaji Refineries Limited
- VI) Labh Commodities Private Limited
- VII) Om Movies Production Private Limited
- VIII) Amla Global Impex Private Limited
- IX) Threewin Maritime India Private Limited#
- X) Hillview Impex Private Limited
- XI) Jaguar Energy & Power Limited
- XII) Jaguar Gems & Jewellery Limited
- XIII) Orbit Diamonds Private Limited



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

- I) Shri Baiju Trading & Investment Private Limited
- II) Paridhi Overseas Private Limited
- III) Balaji Builders & Developers#
- IV) Burhani Builders & Developers#
- V) Silver Coin#
- VI) Khajana Jewellers
- VII) Base Mining Resources Private Limited

# Resigned from Directorship *w.e.f.* 16<sup>th</sup> February 2012

Note: Related Parties have been identified by Management

### 2. Details of the Related Party Transactions

Sr. No.	Particulars	Name of the Party	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
1	Director's Remuneration	Kumarpal Punamiya	2,40,000 (30,000)	-	-
		Manoj Punamiya	- (3,00,000)	-	-
2	Rent	Balaji Lifestyle Realtors Private Limited	-	-	2,16,000 (72,000)
<b>Outstanding as at the year end :</b>					
1	Directors Remuneration	Kumarpal Punamiya	2,58,820	-	-

### NOTE : 25 CONTINGENT LIABILITIES

Sr. No.	<i>Contingent liabilities and commitments (to the extent not provided for)</i>	<i>As at 31<sup>st</sup> March, 2012</i>	<i>As at 31<sup>st</sup> March, 2011</i>
A	Income Tax Demand for A.Y. 2006-07, however appeal has been filed and is pending for disposal by Commissioner of Income Tax (Appeal)	-	8,08,662
B	Income Tax Demand for A.Y. 2006-07, however appeal has been filed and is pending for disposal by Income Tax Appellate Tribunal	-	8,14,293
C	Income Tax Demand for A.Y. 2007-08, however appeal has been filed and is pending for disposal by Commissioner of Income Tax (Appeal)	3,46,14,261	-
D	Income Tax Demand for A.Y. 2008-09, however appeal has been filed and is pending for disposal by Commissioner of Income Tax (Appeal)	-	21,87,080
E	Income Tax Demand for A.Y 2010-11, Substantive Additions made during the assessment, however appeal has been filed and is pending for disposal by Commissioner of Income Tax (Appeal)	9,77,02,258	-
F	In respect of Stamp Duty demand with respect to order under section 391 & 394 of the Companies Act, 1956 passed by The Hon`ble High Court pertaining to the scheme of Amalgamation of Companies. It is not tenable in the view of the management.	30,75,492	30,75,492





## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

The Income Tax Assessments of the company has been completed up to Assessment Year 2010-11. The disputed demand outstanding upto the said Assessment Year is ₹ 1323.17 Lacs. On the Analysis by the expert professionals of the nature of demand and based on the earlier decisions of the authorities, interpretations, relevant provisions and considering the fact the company has been legally advised that the demand is likely to be deleted and accordingly has not been accounted in the books of accounts.

Contingent liabilities with respect to inspection carried by Regional Director (WR), Ministry of Corporate Affairs under section 209A of the Companies Act, 1956 during the year 2010 are not provided in books of accounts, as there was no major discrepancy/ irregularities are observed during the inspection.

### NOTE : 26 IMPAIRMENT OF ASSETS

As required by accounting standard (AS 28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

### NOTE : 27

The Company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with AS - 15 issued by ICAI. However, in the opinion of management the amount involved is negligible and has no impact on Profit & Loss Account.

### NOTE : 28 SEGMENT INFORMATION (AS-17)

The Segments are identified based on the dominant sources and nature of risks and return. Unallocated Corporate Expenses relate to the enterprises as a whole and are not attributable to the segments.

S. NO.	Particular	2011-12	2010-11
1	SEGMENT REVENUE		
	A) Bullion	1,07,38,56,985	64,15,09,000
	B) Investment	10,50,00,000	-
	C) Securities	-	53,79,129
	D) Real Estate	-	-
	E) Others	7,08,242	35,30,283
	<b>Total</b>	<b>1,17,95,65,227</b>	<b>65,04,18,412</b>
	Less : Intersegment Revenue	-	-
	<b>Sales/ Income form Operation</b>	<b>1,17,95,65,227</b>	<b>65,04,18,412</b>
2	SEGMENT RESULTS		
	[Profit/(Loss) before Tax and Interest from each Segment]		
	A) Bullion	(7,74,98,672)	44,45,000
	B) Investment	10,00,00,000	-
	C) Securities	-	40,46,717
	D) Real Estate	-	-
	E) Others	7,08,242	35,30,283
	<b>Total</b>	<b>2,32,14,296</b>	<b>1,20,22,000</b>
	Less :		
	I) Interest	-	-
	II) Other un-allocable expenditure	85,66,368	49,73,311
	<b>Total Profit before Tax</b>	<b>1,46,47,928</b>	<b>70,48,689</b>



## NOTES TO FINANCIAL STATEMENT

For the year ended 31<sup>st</sup> March, 2012

3	SEGMENT ASSETS		
	A) Bullion	45,51,11,638	9,27,83,415
	B) Investment	-	50,00,000
	C) Securities	1,22,60,000	1,53,49,877
	D) Real Estate	10,94,20,000	18,11,31,710
	E) Others	73,81,437	6,73,11,035
	F) Unallocable	53,93,809	70,57,501
	<b>Total</b>	<b>58,95,66,884</b>	<b>36,86,33,538</b>
4	SEGMENT LIABILITIES		
	A) Bullion	21,39,77,155	73,40,476
	B) Investment	-	-
	C) Securities	-	-
	D) Real Estate	-	-
	E) Others	18,00,000	18,00,000
	F) Unallocable	81,40,843	46,49,713
	<b>Total</b>	<b>22,39,17,998</b>	<b>1,37,90,189</b>

### NOTE : 29

The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

### NOTE : 30 DERIVATIVE INSTRUMENTS

There was no contract related to hedging outstanding at the end of the year. Exposure related to Stock in hand at the end of the year were not hedged amount Rs. 8,42,90,000 (P.Y- 41,91,000).

#### For DMKH & Co.

Chartered Accountants  
Firm Reg. No. 116886W

Sd/-

**CA Omprakash Somani**

Partner

Membership No. 123830  
30<sup>th</sup> May, 2012, Mumbai.

#### For and on behalf of Board of Directors

Sd/-

**Manish Shah**

Managing Director

Sd/-

**Kumarpal Punamiya**

Whole-time-Director

Sd/-

**Shweta Agrawal**

Company Secretary

**ROYAL INDIA CORPORATION LIMITED**

REGISTERED OFFICE: 62, 6<sup>th</sup> FLOOR, C-WING, MITTAL TOWER, NARIMAN POINT, MUMBAI -400 021

**ATTENDANCE SLIP**

Members' Folio/ Client & DP-ID No.  
\_\_\_\_\_  
No. of Shares \_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting held on Friday, 7th September 2012 at 11.00 a.m. at Conference Hall, 18th Floor, C Wing, Mittal Tower, Nariman Point, Mumbai - 400 021, India.

Name of Member/Proxy \_\_\_\_\_ Signature of Member/Proxy \_\_\_\_\_

**Notes:**

Member/Proxy holder must bring the admission slip to the Meeting and hand-over at the entrance duly signed.

**NATRAJ FINANCIAL & SERVICES LIMITED**

REGISTERED OFFICE: 62, 6<sup>th</sup> FLOOR, C-WING, MITTAL TOWER, NARIMAN POINT, MUMBAI -400 021

**PROXY FORM**

Members' Folio/ Client & DP-ID No.  
\_\_\_\_\_  
No. of Shares \_\_\_\_\_  
\_\_\_\_\_

Affix Re.1  
Revenue  
Stamp

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of the above named Company, hereby appoint -  
\_\_\_\_\_ of \_\_\_\_\_ or  
failing him/her- \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ as  
my/our proxy to attend and vote for me/us on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the  
Company to be held on Friday, 7th September 2012 at 11.00 a.m. at Conference Hall, 18<sup>th</sup> Floor, C  
Wing, Mittal Tower, Nariman Point, Mumbai - 400 021, India.

**Notes:**

- 1. The instrument of Proxy form shall be deposited at the Registered Office of the Company, not less than 48 hours before the time fixed for holding the Meeting.
- 2. The form should be signed across the stamp as per specimen signature registered with the Company.
- 3. A proxy need not to be member.