

**SHANTIVIJAY JEWELS LTD.**



**BEYOND EXCELLENCE**

ANNUAL REPORT 2015-16



## SHANTIVIJAY JEWELS LIMITED

### BOARD OF DIRECTORS

#### **PRADEEP KUMAR GODHA**

*(Chairman & Managing Director)*

#### **ANURAG GODHA**

*(Vice Chairman & Managing Director)*

#### **JAYANT B. SHAH**

**AMBUJ A. KASLIWAL** (till 28.09.2015)

**APURVA R. SHAH** (till 28.09.2015)

**TUSHAR A. MAVANI** (till 28.09.2015)

**JEFFREY K. STERN** (upto 27.05.2015)

### REGISTERED OFFICE / WORKS

G 37, Gem & Jewellery Complex, Bldg. No. III,  
SEEPZ, Andheri (E), Mumbai-400 096.

Tel: 91 22 - 42182244

Fax: 91 22 - 28291360

Email: shantivijay@shantivijay.com

Website: <http://www.shantivijay.com>

CIN: U3691036910MH1980PLC023289

### ADMINISTRATIVE OFFICE

L-1, Trident Hotel, Hilton Towers,  
Nariman Point,

Mumbai-400 021.

### BANKERS

Canara Bank

Overseas Branch,

Nariman Point,

Mumbai-400 021.

### AUDITORS

B.F. Chordia & Co.

Chartered Accountants

17/1004, Indradarshan,

Oshivara Link Road,

Andheri (West), Mumbai-400 053.

### REGISTRAR & TRANSFER AGENTS

Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Sakivihar Road,

Sakinaka, Andheri (E), Mumbai-400 072.

<b>Contents</b>	<b>Page No.</b>
Company Information .....	1
Notice .....	2
Directors' Report .....	4
Auditors' Report.....	16
Balance Sheet .....	20
Cash Flow Statement .....	31
Consolidated Balance Sheet & Auditors' Report & Cash Flow Statement .....	32
Attendance Slip & Proxy Form	

## SHANTIVIJAY JEWELS LIMITED

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NOTICE is hereby given that the 43rd Annual General Meeting of the Members of SHANTIVIJAY JEWELS LIMITED will be held at Conference Hall, All India Institute of Local Self-Government, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Gali, Andheri (West), Mumbai 400 058 on **Friday, September 9, 2016 at 3.00 p.m** to transact the following business:

### ORDINARY BUSINESS

- To consider and adopt:
  - the audited financial statement of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
  - the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
- To appoint a Director in place of Shri. Anurag Godha (DIN: 00008224), who retires by rotation and, being eligible, offers himself for reappointment.
- To ratify appointment of Auditors and to fix their remuneration and, in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, appointment of B. F. Chordia & Co., Chartered Accountants (Firm Regn. No. FRN:101914W) made as the Statutory Auditors of the Company in terms of resolution passed by the members at the 42nd Annual General Meeting held on September 14, 2015, be and is hereby ratified to hold office as such till the conclusion of the next Annual General Meeting and, on such remuneration and reimbursement of out of pocket expenses, as shall be decided/ approved by the Board of Directors of the Company.”

### SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** Mr. Jayant Bhogilal Shah (DIN: 01426873) be and is hereby appointed as a Director of the Company liable to retirement by rotation.”

#### Registered Office:

G-37, Gem & Jewellery Complex,  
Building No.III, SEEPZ, Andheri (East),  
Mumbai 400 096.  
Dated 5th August, 2016

BY ORDER OF THE BOARD

Sd/-  
Pradeep Kumar Godha  
Chairman & Managing Director  
(DIN: 00008194)

### NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON POLL) INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.  
**A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on any working day between 11.00 a.m. to 1.00 p.m. excluding Saturdays upto the date of the Annual General Meeting.
- The members are requested to:**
  - Intimate change in their registered address, if any, to the Company's Registrar and Share Transfer Agents, Bigshare Services Private Limited at E-2 & 3, Ansa Industrial Estate, Sakinaka, Andheri(E), Mumbai 400 072, in respect of their holdings in physical form.
  - Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - Non-Resident Indian Members are requested to inform M/s. Bigshare Services Private Limited immediately of the change in their residential status on return to India for permanent settlement.
- Register your email address and change, if any, therein from time to time with Bigshare Services Private Limited for shares held in physical form and with their Depository Participants for shares held in demat form.**
- Send or address all their shares related matters/correspondence directly to M/s. Bigshare Services Private Limited.

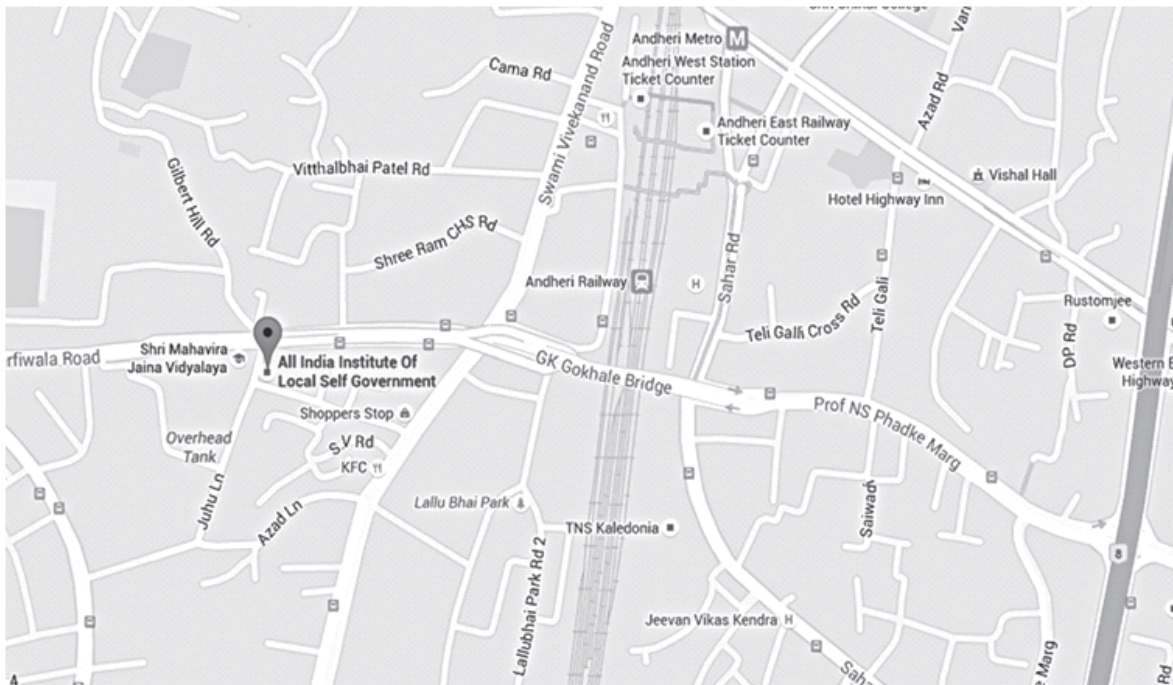
- (vi) Note that Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company in the prescribed Form No. SH 13 for shares held in physical form. Blank forms will be supplied by the Company on request. Members holding shares in demat form may contact their respective Depository Participants for recording of nomination.
- (vii) Send queries on accounts to the Company 10 days in advance of the Annual General Meeting so that the answers may be made available at the Annual General Meeting.
5. Corporate members are requested to send /bring a duly certified copy of the board resolution authorising their representatives to attend and vote at the Annual General Meeting.
6. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the 42nd Annual General Meeting (AGM) held on 14th September, 2015, on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the Website of the Company viz. [www.shantivijay.com](http://www.shantivijay.com)
7. The Company is concerned about the environment. We request you to update your email address with your Depository Participants to enable us to send you communications via email. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide their e-mail addresses by sending an e-mail to the Company at [investors@shantivijay.com](mailto:investors@shantivijay.com).
8. Copies of the Annual Report 2015-16 are being sent by electronic mode only to all the members whose email addresses are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2015-16 are being sent by the permitted mode.
9. Members/Proxies should bring the duly filled Attendance slip enclosed herewith to attend the meeting.

Registered Office:  
G-37, Gem & Jewellery Complex,  
Building No.III, SEEPZ, Andheri (East),  
Mumbai 400 096.  
Dated: 5th August, 2016

BY ORDER OF THE BOARD

Sd/-  
Pradeep Kumar Godha  
Chairman & Managing Director  
(DIN: 00008194)

#### Route Map to the Venue of the Annual General Meeting



## DIRECTORS' REPORT

TO THE MEMBERS,

### SHANTIVIJAY JEWELS LIMITED

Your Directors present their 43<sup>rd</sup> Annual Report and the Audited Statement of Accounts for the year ended March 31, 2016.

#### 1. FINANCIAL RESULTS / STATE OF AFFAIRS

(₹ in Lakhs)

Particulars	Stand alone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Income from operations	5969.67	6885.06	8811.42	9876.30
Less : Expenses	5912.91	6928.63	8652.87	9826.32
Depreciation	44.33	46.08	49.06	50.52
<b>Profit /(Loss) from operations before other income and finance costs</b>	<b>12.43</b>	<b>(89.65)</b>	<b>109.49</b>	<b>(0.54)</b>
Add: Other Income	19.31	52.08	19.31	52.07
<b>Profit/(Loss) from ordinary activities before finance costs</b>	<b>31.74</b>	<b>(37.57)</b>	<b>128.8</b>	<b>51.53</b>
Less: Finance Cost	84.24	78.32	84.24	78.32
<b>Profit/(Loss) from ordinary activities before tax</b>	<b>(52.5)</b>	<b>(115.89)</b>	<b>44.56</b>	<b>(26.79)</b>
Less: Tax expenses	(0.05)	2.70	(0.05)	2.70
<b>Net profit/(Loss) from ordinary activities after tax</b>	<b>(52.45)</b>	<b>(118.59)</b>	<b>44.61</b>	<b>(29.49)</b>
<b>Net Profit/(Loss) for the period</b>	<b>(52.45)</b>	<b>(118.58)</b>	<b>44.61</b>	<b>(29.49)</b>
<b>Earnings Per Share (₹)</b>	<b>(1.75)</b>	<b>(3.95)</b>	<b>1.49</b>	<b>(0.98)</b>

#### 2. DIVIDEND / TRANSFER TO RESERVE(S)

In view of loss during the year, the Directors have not recommended any dividend for the financial year under review. No amount is transferred to any reserve.

#### 3. DETAILS OF MEETINGS OF THE BOARD AND COMMITTEES

During the year, 5 (five) Board meetings were held on 15.06.2015, 05.08.2015, 28.09.2015, 16.12.2015 and 30.03.2016. Details of attendance by each Director at the said Board meetings are as under:

Name of Director (s)	Board Meetings attended during FY 2015-16
Shri. Pradeep Kumar Godha	5
Shri. Anurag Godha	5
Shri. Ambuj A. Kasliwal (till 28/09/2015)	1
Shri. Apurva R. Shah (till 28/09/2015)	2
Shri. Jayant B. Shah (till 28/09/2015 & appointed as Additional Director from 29/09/2015)	3
Shri. Tushar A. Mavani (till 28/09/2015)	Nil

#### 4. CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the year under review.

#### 5. SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

The Company has two subsidiary companies, namely, Shantivijay International Limited, Mauritius with its one step down subsidiary, Shantivijay Impex DMCC. There are no changes in subsidiaries. There are no joint venture or associate companies.

In accordance with Section 129(3) of the Companies Act 2013, consolidated financial statements of the Company and all its subsidiaries are prepared, which form part of Annual Report. Further a statement containing salient features of the financial statement of our Subsidiaries in the prescribed format AOC-1 is included in the Report as **Annexure 'A'** and forms as integral part of this Report. The statement also provides the details of performance, financial position of each of the Subsidiaries.

#### 6. EXTRACT OF ANNUAL RETURN

The details forming part of the extracts of Annual Return in **Form MGT-9** pursuant to the provisions of Section 92 read with Rule 12 of the Companies(Management and administration) Rules, 2014 is furnished in **Annexure 'B'** and forms an integral part of this report.

**7. DIRECTORS**

Shri Apurva Shah, Shri. Ambuj Kasliwal, Shri. Jayant Shah and Shri. Tushar Mavani, Independent Directors of the Company, have completed their term as such on 28<sup>th</sup> September 2015.

The Board of Directors appointed Shri Jayant B. Shah as the Additional Director w.e.f. 29<sup>th</sup> September, 2015 and he holds office as such till the date of ensuing Annual General Meeting (AGM). The Company has received a notice from a member proposing his candidature for appointment as Director of the Company at the AGM.

In accordance with the provisions of the Companies Act, 2013, Shri. Anurag Godha, Managing Director, has offered to retire by rotation and, being eligible, offers himself for reappointment.

The Board of Directors presently is comprised of Shri Pradeep Kumar Godha, Shri Anurag Godha and Shri Jayant Shah.

**8. KEY MANAGERIAL PERSONNEL**

Provisions of Section 203 are no longer applicable to the Company.

**9. DEPOSITS**

The Company has not accepted any deposits covered under Chapter V of the Act.

**10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY COMPANY**

The details of Loans, Guarantees, and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

**11. RELATED PARTY TRANSACTIONS**

Particulars of related party transactions are given in prescribed Form AOC-2 annexed as **Annexure 'C'**

**12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant / material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**13. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors had 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 at the end of the financial year and of the loss of the company for that period;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors' had prepared the annual accounts on a going concern basis; and
- e. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**14. INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY**

Your Company's internal control systems commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements.

**15. PARTICULARS OF EMPLOYEES**

There are no particulars to be disclosed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**16. STATUTORY AUDITOR & AUDITOR'S REPORT**

In the 42<sup>nd</sup> Annual General Meeting (AGM) of the Company, B. F. Chordia & Co., Chartered Accountants, Mumbai (Firm Registration No.: 101914W), had been appointed as the Statutory Auditors of the Company until the conclusion of the 47<sup>th</sup> AGM of the Company. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders at every Annual General Meeting until the expiry of the period of original appointment. Members are requested to ratify the appointment of Auditors.

There is no audit qualification, reservation, or adverse remark or disclaimer in the Auditor's Report for the year under review.

**17. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

CSR related provisions of the Companies Act, 2013 do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.

**18. DISCLOSURE ON WOMEN AT WORKPLACE**

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no case was reported in this regard.

**19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****(A) Conservation of energy**

- (i) Steps taken or impact on conservation of energy:  
No specific steps are taken on conservation of energy.
- (ii) Steps taken by the Company for utilizing alternative sources of energy:  
No specific steps are taken for utilizing alternative sources of energy.
- (iii) Capital investment on energy conservation equipments: Nil.

**(B) Technology absorption**

- (i) The efforts made towards technology absorption:  
The Company keeps itself abreast of the technical developments in Company's line of products world wide and tries to bring about improvements in the product for better yield, quality and cost effectiveness, etc.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution:  
As a result of above, the following benefits are achieved:
- Cost Reduction
  - Achievement in precision & quality
  - Use of indigenous equipment as import substitute.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): The Company has not imported any technology
- (iv) The expenditure incurred on Research and Development: Nil.

**(C) Foreign exchange earnings and Outgo**

(₹ in Lakhs)

	2015-16	2014-15
Foreign Exchange earned	5547.21	6292.84
Foreign Exchange used	480.26	1154.78

**20. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No other material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.

**21. RISK MANAGEMENT POLICY**

The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like markets related, foreign currency rate fluctuations, supply/logistics related, debtors collections, Government policy related matters that may threaten the existence of the Company.

**22. ACKNOWLEDGEMENT**

The Directors would like to place on record their appreciation for the valuable co-operation extended to the Company by the employees of the Company, Government Departments, Bankers, Suppliers, Customers and Investors at large for their continuous support to the Company.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**PRADEEP KUMAR GODHA**  
CHAIRMAN & MANAGING DIRECTOR  
DIN- 00008194Place: Mumbai  
Dated: 05.08.2016

## Annexure - 'A'

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(₹ In lacs)

Sr. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of Foreign subsidiaries	Share capital	Reserves & surplus	Total Assets	Total Liabilities	Investments	Turnover/ Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	Shantivijay Jewels International Limited (Mauritius)	31.03.2016	US \$ 66.25	298.29	1027.67	1327.32	1327.32	36.10	0	(10.08)	0	(10.08)	0	100%
2	Shantivijay Impex DMCC	31.03.2016	US \$ 66.25	36.10	1056.90	2544.32	2544.32	0.00	2841.76	102.07	0	102.07	0	100%

## Part "B": Associates and Joint Ventures

Sr. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to Shareholding as per latest	Profit/Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Amount of Investments in Associates/ Joint Venture				Considered in Consolidation	Not considered in Consolidation
NIL										

FOR AND ON BEHALF OF THE BOARD

Sd/-

**Pradeep Kumar Godha**  
Chairman & Managing Director  
DIN - 00008194

Place: Mumbai  
Dated: 05.08.2016



Annexure - 'B'

**Form No. MGT – 9  
EXTRACT OF ANNUAL RETURN****As on financial year ended on March 31, 2016**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules 2014]**I. REGISTRATION AND OTHER DETAILS :**

- (i) CIN : U36910MH1980PLC023289  
(ii) Registration Date : 14/10/1980  
(iii) Name of the Company : Shantivijay Jewels Limited  
(iv) Category of the Company : Company Limited by shares  
(v) Sub-Category of the Company : Indian Non Government Company  
(vi) Address of the Registered office and contact details : G-37, Gem & Jewellery Complex, Building No.III,  
Seepz, Andheri (East), Mumbai 400096.  
+91 – 22 – 42182244  
(vii) Whether listed Company : No  
(viii) Name/address and Contact Details of Registrar and Transfer Agent : Bigshare Services Private Limited  
E-2 & 3, Ansa Industrial Estate, Sakinaka,  
Andheri (E), Mumbai 400 072  
Tel: +91 22 2847 0652 / 4043 0200

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% total turnover of the company
1	Manufacturing and exports of studded gold jewellery and Diamond and Precious stones	3211	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sr.No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1	Shantivijay Jewels International Limited (Mauritius)	NA	Subsidiary	100.00	2 (87) (ii)
2.	Shantivijay Impex DMCC	NA	Subsidiary	100.00	2 (87) (ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)***i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2813364	74400	2887764	96.19	2813364	74400	2887764	96.19	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other ...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):-</b>	<b>2813364</b>	<b>74400</b>	<b>2887764</b>	<b>96.19</b>	<b>2813364</b>	<b>74400</b>	<b>2887764</b>	<b>96.19</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other .....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>2813364</b>	<b>74400</b>	<b>2887764</b>	<b>96.19</b>	<b>2813364</b>	<b>74400</b>	<b>2887764</b>	<b>96.19</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	6512	0	6512	0.22	40165	0	40165	1.34	1.12
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	92790	14119	106909	3.56	59137	14119	73256	2.44	(1.12)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	0	0	0	0.00	0	0	0	0.00	0.00
c) Others (specify)									
i) Non Resident Indians (NRI)	15	800	815	0.02	15	800	815	0.02	0.00
<b>Sub-Total (B) (2):-</b>	<b>99317</b>	<b>14919</b>	<b>114236</b>	<b>3.80</b>	<b>99317</b>	<b>14919</b>	<b>114236</b>	<b>3.80</b>	<b>0.00</b>
<b>Total Public Shareholding (B) = (B)(1) + B(2)</b>	<b>99317</b>	<b>14919</b>	<b>114236</b>	<b>3.80</b>	<b>99317</b>	<b>14919</b>	<b>114236</b>	<b>3.80</b>	<b>0.00</b>
Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>2912681</b>	<b>89319</b>	<b>3002000</b>	<b>100</b>	<b>2912681</b>	<b>89319</b>	<b>3002000</b>	<b>100</b>	<b>-</b>

**ii) Shareholding of Promoters –**

Sr No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ Encum-bered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Rajrani Bimalchand Godha	823178	27.42	0.00	823178	27.42	0.00	2.48
2	Pradeepkumar Bimalchand Godha	480853	16.01	0.00	480853	16.01	0.00	0.00
3	Anurag Bimalchand Godha	477943	15.92	0.00	477943	15.92	0.00	0.00
4	Namita Anurag Godha	191295	6.37	0.00	191295	6.37	0.00	0.00
5	Sudha Pradeepkumar Godha	188795	6.29	0.00	188795	6.29	0.00	0.00
6	Anish Anurag Godha	151600	5.05	0.00	151600	5.05	0.00	0.00
7	Varun Pradeep Godha	147500	4.91	0.00	147500	4.91	0.00	0.00
8	Anuvi Godha	142400	4.74	0.00	142400	4.74	0.00	0.00
9	Varun Godha	121000	4.03	0.00	121000	4.03	0.00	0.00
10	A K Godha (HUF)	69000	2.30	0.00	69000	2.30	0.00	0.00
11	Pradeep Kumar Godha (HUF)	68700	2.29	0.00	68700	2.29	0.00	0.00
12	Anushree Mayur Doshi	25500	0.85	0.00	25500	0.85	0.00	0.00
	<b>Total</b>	<b>2887764</b>	<b>96.19</b>	<b>0.00</b>	<b>28877.64</b>	<b>96.19</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding (please specify if there is no change)**

Sr. No.	Name of Promoter	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the Company				No. Shares	% of total shares of the company
1	Rajrani Bimalchand Godha	823178	27.42	01.04.2015	Nil	-	-	-
		823178	27.42	31.03.2016				
2	Pradeepkumar Bimalchand Godha	480853	16.01	01.04.2015	Nil	-	-	-
		480853	16.01	31.03.2016				
3	Anurag Bimalchand Godha	477943	15.92	01.04.2015	Nil	-	-	-
		477943	15.92	31.03.2016				
4	Namita Anurag Godha	191295	6.37	01.04.2015	Nil	-	-	-
		191295	6.37	31.03.2016				
5	Sudha Pradeepkumar Godha	188795	6.29	01.04.2015	Nil	-	-	-
		188795	6.29	31.03.2016				
6	Anish Anurag Godha	151600	5.05	01.04.2015	Nil	-	-	-
		151600	5.05	31.03.2016				
7	Varun Pradeep Godha	147500	4.91	01.04.2015	Nil	-	-	-
		147500	4.91	31.03.2016				
8	Anuvi Godha	142400	4.74	01.04.2015	Nil	-	-	-
		142400	4.74	31.03.2016				
9	Varun Godha	121000	4.03	01.04.2015	Nil	-	-	-
		121000	4.03	31.03.2016				
10	A K Godha (HUF)	69000	2.30	01.04.2015	Nil	-	-	-
		69000	2.30	31.03.2016				
11	Pradeep Kumar Godha (HUF)	68700	2.29	01.04.2015	Nil	-	-	-
		68700	2.29	31.03.2016				
12	Anushree Mayur Doshi	25500	0.85	01.04.2015	Nil	-	-	-
		25500	0.85	31.03.2016				



**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of Director/Key managerial Personnel	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01.04.2014)/ end of the year (31.03.2016)	% of total shares of the Company				No. of shares	% of total shares of the company
1	Pradeepkumar Godha	480853 480853	16.01 16.01	01.04.2015 31.03.2016	-	-	-	-
2	Anurag Godha	477943 477943	15.92 15.92	01.04.2015 31.03.2016	-	-	-	-
3	Jayant B. Shah	-	-	-	-	-	-	-

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of financial year				
(i) Principal Amount	170120467	0	0	170120467
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	170120467	0	0	170120467
<b>Change in Indebtedness during the financial year</b>				
Addition	895858179	0	0	895858179
Reduction	898253665	0	0	898253665
<b>Net Change</b>	2395486	0	0	2395486
Indebtedness at the end of financial year				
(i) Principal Amount	167724981	0	0	167724981
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	167724981	0	0	167724981

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		CMD	VCMD	
		Pradeep Kumar Godha	Anurag Godha	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3600000	3600000	7200000
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	120896	192306	313202
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify..	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	3720896	3792306	7513202
	Ceiling as per the Act	10% of net profits of the Company or Minimum Remuneration as per Schedule V		

**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Ambuj Kasliwal	Apurva Shah	Jayant Shah	Tushar Mavani	J. Stern	
1.	Independent Directors						
	● Fee for attending board/ committee meetings	5000	10000	15000	0	-	30000
	● Commission	-	-	-	-	-	-
	● Others, please specify	-	-	-	-	-	-
	Total (1)	5000	10000	15000	0	-	30000
2.	Other Non-Executive Directors						
	● Fees for attending board / committee meetings						
	● Commission						
	● Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	5000	10000	15000	0	-	30000
	Total Managerial Remuneration	-	-	-	-	-	7543202
	Overall Ceiling as per the Act	1% of net profits of the Company					

## SHANTIVIJAY JEWELS LIMITED

### C. Remuneration to key managerial personnel other than MD/Manager/WTD:NA

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-
	b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as a % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify (Bonus)	-	-	-	-
	Total	-	-	-	-

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD)/NCLT/ Court	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD

Sd/-

Place: Mumbai  
Dated: 05.08.2016

PRADEEP KUMAR GODHA  
CHAIRMAN & MANAGING DIRECTOR  
DIN- 00008194

## Annexure - 'C'

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013  
and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

## 1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
1.	Mrs Rajrani Godha Mother of KMPs/ MDs	Lease of shop premises for use as showroom-cum office for the company	5 (Five) years	- Monthly Rental ₹ 10,000/- p.m. w.e.f 01.10.2014 - Security Deposit ₹ 120 lacs - Other usual terms are common in any such lease agreement	- For use as Jewellery showroom & office for the company - Shop premises are also given by Lessor as collateral security to the bankers for credit facilities granted to the Company - ideal location for visibility, tap foreign tourists and also celebrity visitors.	30.09.2014	-	N.A.
2	Diamondere Pvt. Ltd.**	Sales & Labour	One year	₹ 96,15,028/-	Access to online sales portal	15.06.2015	-	N.A.
3	Diamondere Pvt. Ltd.**	Rent	One year	₹ 4,20,000/-	Access to online sales portal	29.05.2014	-	N.A.
4	Sudha Godha*	Remuneration	Permanent	₹ 2,77,200/-	Sales support & administration	28.08.2007	-	N.A.
5	Namita Godha*	Remuneration	Permanent	₹ 2,77,200/-	Sales support & administration	28.08.2007	-	N.A.
6	Deepika Godha*	Remuneration	Permanent	₹ 1,92,000/-	Sales support & administration	01.02.2014	-	N.A.

## 2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any	Amount paid as advances, if any.
(a)	(b)	(c)	(d)	(e)	(f)	
NIL						

\*relative of director \*\*relative of director is director/member.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**Pradeep Kumar Godha**  
Chairman & Managing Director  
DIN - 00008194

Place: Mumbai  
Dated: 05.08.2016



## Independent Auditor's Report

To,  
**THE MEMBERS OF SHANTIVIJAY JEWELS LIMITED**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shantivijay Jewels Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to

the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.24 to the financial statements;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 2.25 to the financial statements;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B. F. CHORDIA & CO  
CHARTERED ACCOUNTANTS  
FRN:101914W**

**Sd/-  
B. F. CHORDIA  
PROPRIETOR**

**MEMBERSHIP No.: 9026**

PLACE : MUMBAI  
DATE : August 5, 2016

**Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of Inventories,
- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (a) According to information & explanations given to us during the year the company has not granted any loans, secured/unsecured to the Companies, Firms & other parties covered by section 189 of the Companies Act, 2013.
- (b) During the year Company had not taken any fresh loans from such parties.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the Companies (Auditors Report) order, 2016 ('the CARO 2016') is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under section 148 (1) of the Act. Company have made and maintained such records properly.
- (vii) a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, value added tax, Service Tax, Custom Duty, Excise Duty, cess to the extent

applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and Custom duty have not been deposited by the Company on account of disputes:

Sr.	Name of the Statute	Nature of the dues	Forum where dispute is Pending	Amount (₹ in Lacs)
1	Indian Income Tax Act 1961.	Income Tax A.Y.2011-2012	ITAT	102.76
2	Indian Income Tax Act 1961.	Income Tax A.Y.2007-2008	CIT (A)	161.33
3	Indian Income Tax Act 1961.	Income Tax A.Y.2008-2009	CIT (A)	112.03
4	Indian Income Tax Act 1961.	Income Tax A.Y.2009-2010	CIT (A)	125.31
5	Indian Income Tax Act 1961.	Income Tax A.Y.2010-2011	CIT (A)	52.98
6	Indian Income Tax Act 1961.	Income Tax A.Y.2012-2013	CIT (A)	92.76
7	Indian Income Tax Act 1961.	Income Tax A.Y.2013-2014	CIT (A)	94.70
8	Customs excise & Service Tax Act	Custom Duty	Custom & Service tax Appellate Tribunal	4.51

- (viii) In our opinion and according to the information and explanations given to us, The Company has not defaulted in the repayment of loans to banks and government. The Company has not taken any borrowings from financial institutions and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the

Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For B. F. CHORDIA & CO  
CHARTERED ACCOUNTANTS  
FRN:101914W**

**Sd/-  
B. F. CHORDIA  
PROPRIETOR  
MEMBERSHIP No.: 9026**

PLACE : MUMBAI  
DATE : August 5, 2016

**Annexure - B to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Shantivijay Jewels Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B. F. CHORDIA & CO  
CHARTERED ACCOUNTANTS  
FRN:101914W**

PLACE : MUMBAI  
DATE : August 5, 2016

**Sd/-  
B. F. CHORDIA  
PROPRIETOR  
MEMBERSHIP No.: 9026**

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No	As at 31st March 2016 (₹)	As at 31st March 2015 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	2.1	30020000	30020000
(b) Reserves and Surplus	2.2	225777153	231022940
<b>2. Non-Current Liabilities</b>			
(a) Long -term provisions	2.3	337496	335111
<b>3. Current Liabilities</b>			
(a) Short-term borrowings	2.4	167724981	170120467
(b) Trade payables	2.5	85727597	64776153
(c) Other current liabilities	2.6	917858	872309
(d) Short-term provisions	2.7	1657233	1580644
<b>Total</b>		<u>512162318</u>	<u>498727624</u>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	2.8	27176036	28142738
(ii) Intangible assets	2.8	2272326	2971610
(b) Non-current investments	2.9	19002385	19002385
(c) Deferred tax assets (net)		3061000	3056000
(d) Long term loans and advances	2.10	68911992	65995841
<b>2. Current assets</b>			
(a) Inventories	2.11	231839972	204611233
(b) Trade receivables	2.12	133914958	156108321
(c) Cash and cash equivalents	2.13	13096226	12551194
(d) Short-term loans and advances	2.14	12013495	5959844
(e) Other current assets	2.15	873928	328459
<b>Total</b>		<u>512162318</u>	<u>498727624</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS** 1 & 2

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

**For SHANTIVIJAY JEWELS LTD.**

**Sd/-**  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

**Sd/-**  
**P. K. GODHA**  
(Chairman & M.D)

**Sd/-**  
**A. K. GODHA**  
(Vice Chairman & M.D)

**Place : MUMBAI**  
**Dated : 5<sup>th</sup> August, 2016**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Note No	31.03.2016 (₹)	31.03.2015 (₹)
I. Revenue from operations	2.16	596966611	688506422
II. Other Income	2.17	1930992	5207771
<b>III. Total Revenue (I +II)</b>		<b>598897603</b>	<b>693714193</b>
IV. Expenses:			
Cost of materials consumed	2.18	479507692	511943102
Purchase of Stock-in-Trade	2.18	22139669	111702701
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	3348922	(18729325)
Employee benefit expense	2.20	27705747	25829322
Financial costs	2.21	8424047	7831673
Depreciation and amortization expense		4433704	4607555
Other expenses	2.22	58588609	62118064
<b>Total Expenses</b>		<b>604148390</b>	<b>705303092</b>
V. Loss before tax (III - IV)		<b>(5250787)</b>	<b>(11588899)</b>
VI. Tax expense:	2.23		
(1) Current tax		0	135777
(2) Deferred tax		(5000)	134000
VII. Loss for the period from continuing operations		<b>(5245787)</b>	<b>(11858676)</b>
VIII. Earning per equity share:			
Equity share of par value of ₹ 10/- each			
(1) Basic & Diluted		<b>(1.75)</b>	<b>(3.95)</b>
Number of shares used in computing earning per share			
(1) Basic & Diluted		<b>3002000</b>	<b>3002000</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>	<b>1 &amp; 2</b>		

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

**Sd/-**  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

**Place : MUMBAI**  
**Dated : 5<sup>th</sup> August, 2016**

For SHANTIVIJAY JEWELS LTD.

**Sd/-**  
**P. K. GODHA**  
(Chairman & M.D)

**Sd/-**  
**A. K. GODHA**  
(Vice Chairman & M.D)

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### NOTE NO -1

#### SIGNIFICANT ACCOUNTING POLICIES

##### Corporate Information :

Shantivijay Jewels Ltd. is located in Special Economic Zone Mumbai having its showroom in Trident Hotel, Mumbai and factory at MIDC, Andheri. Company is engaged in Manufacturing and exports of wide range of studded gold jewellery and Diamond and P.stones.

##### a) System of Accounting:

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise stated hereinafter.
- ii) The Accounts are prepared under historical cost convention, as a going concern and generally in accordance with applicable Accounting standards.
- iii) **Use of Estimates**

The Preparation of financial statements require management to make certain estimates and assumptions that effect the amounts reported in financial statements and notes thereon. Difference in actual results & estimates are recognised in the period in which they materialize.

##### b) Fixed Assets and Depreciation :

###### i) Tangible Assets

- a) Fixed Assets are stated at their cost of acquisition less Deprecation. Additions to Fixed assets are net of Modvat Credit. Rubber moulds of small value have not been capitalised and considered as consumables and charged to revenue.
- b) Effective 1st April 2014, the company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Act, as against the earlier practise of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

###### ii) Intangible Assets :

Computer Software :

Intangible Assets are stated at cost of acquisition less accumulated amortization.

Computer Software is amortized over a period of Five Years in equal installments.

##### c) Investments

Long term Investments are valued at cost with an appropriate provision for permanent diminution in value.

##### d) Inventories

- (A) Raw materials are valued at lower of the cost or net realisable value; cost is arrived at on FIFO basis. Cost includes costs incurred in bringing them to their present location.
- (B) Stores & Consumables are valued at lower of the cost or net realisable value.
- (C) Loose Tools are valued at lower of the cost or net realisable value.
- (D) Finished goods are valued at lower of the cost or net realisable value. Cost of finished goods is determined by taking material, labour and appropriate factory overheads.
- (E) Inventory of spares, Rubber Moulds is not valued and is charged to revenue.

##### e) Sales / Revenue Recognition.

Sales are net of tax

Company recognises sales at the point of dispatch / delivery of the goods to the customer. Interest / rental income is recognised on time proportionate basis.

##### f) Foreign Currency Transaction

- (a) Transactions denominated in Foreign Currencies are normally recorded at the exchange rate prescribed by customs at the time of transaction.
- (b) Monetary items denominated in foreign currencies at the year-end are restated at the year end rates.
- (c) Non-monetary foreign currency items are carried at cost.
- (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.
- (e) Exchange difference on acquisition of fixed assets is adjusted to carrying cost of such fixed assets.

##### g) Employee Benefits

Company have opted for Group Gratuity Scheme with LIC of India; Company's contribution based on a actuarial valuation by LIC is charged to Profit & Loss Account. Company have made provision for Gratuity for the employees who are not covered by LIC 's Group Gratuity scheme. Contribution to Provident / Family Pension Fund as percentage of salary is charged to Profit & Loss Account on accrual basis.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

Accrued leave Salary is estimated and provided on accrual basis. The expense is recognised at present value of amount payable to Employees. Total liability for Leave Salary outstanding at year end rate is ₹ 6.90 Lacs.

h) Purchases are accounted for net of Modvat credit.

i) **Taxation**

In view of net loss, no tax provision is required. Deferred Tax Asset resulting from timing difference between book loss and taxable loss for the year is calculated by using tax rates & tax laws that have been enacted or substantially enacted at the balance sheet date

j) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions in respect of present obligations arising out of past events are made in Accounts where reliable estimation can be made of the amount of obligation. Contingent Liabilities are not provided for and if material are disclosed separately by way of note. Contingent Assets are neither recognised nor disclosed in Financial Statement.

**2. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

The previous period figures have been regrouped /reclassified, wherever necessary to conform to the current presentation.

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.1 SHARE CAPITAL</b>		
Authorised- Equity shares of ₹ 10 par value 6000000 Equity Shares	<b>60000000</b>	60000000
<b>Issued, Subscribed &amp; Paid Up</b>		
3002000 Equity Shares of ₹ 10/- par value fully paid	<b>30020000</b>	30020000
<b>TOTAL</b>	<b>30020000</b>	30020000

(1) Refer to note 2.32 for details of basic and diluted shares.

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The details of shareholder holding more than 5 % shares as at March 31, 2016 is set out below :

Name of the shareholder	31.03.2016		31.03.2015	
	No of shares	%	No of shares	%
1. Rajrani Bimalchand Godha	823178	27.42	748778	24.94
2. Pradeepkumar Bimalchand Godha	480853	16.02	480853	16.02
3. Anurag Bimalchand Godha	477943	15.92	477943	15.92
4. Varun pradeep kumar Godha	268500	8.94	268500	8.94
5. Namita Anurag Godha	191295	6.37	191295	6.37
6. Sudha Pradeepkumar Godha	188795	6.29	188795	6.29
7. Anish Anurag Godha	151600	5.05	151600	5.05

The reconciliation of the number of shares outstanding as at March 31, 2016 and March 31, 2015 is set out below :

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares		No. of Shares	
Number of shares at the beginning and at the end	3002000		3002000	
	₹ 30020000/-		₹ 30020000/-	
<b>2.2 RESERVE AND SURPLUS</b>				
<b>Security Premium Reserve</b>		46797952		46797952
<b>Capital Reserve</b>		20055422		20055422
<b>General Reserve</b>				
Opening Balance	108961350		109432127	
Less: Difference of reassessment of Useful life of Fixed assets as per SCH II	0	108961350	470777	108961350
<b>Profit &amp; Loss Account</b>				
Opening Balane	55208216		67066892	
Add : Trf from statement of profit & loss	(5245787)		(11858676)	
		<b>49962429</b>		55208216
<b>TOTAL</b>		<b>225777153</b>		231022940



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.3 LONG TERM PROVISIONS</b>		
Provision for Employee benefits-Gratuity	337496	335111
	<u>337496</u>	<u>335111</u>
<b>2.4 SHORT TERM BORROWINGS</b>		
<b>PACKING CREDIT (Secured)</b>	111580342	125545757
<b>DISCOUNTED BILLS (Secured)</b>	56144639	44574710
(Against hypothecation of stocks, collaterally secured by hypothecation of Book debts & Machinery and Negative Lien of Immovable property of Bharat Diamond Bourse and Rajrani Godha, personally guaranteed by whole time directors.)		
	<u>167724981</u>	<u>170120467</u>
<b>2.5 TRADE PAYABLES</b>		
<b>Trade Payables</b>	85727597	64776153
(Including ₹ 8.66 lacs Due to Directors pr year ₹ 9.65 lacs)	<u>85727597</u>	<u>64776153</u>
<b>2.6 OTHER CURRENT LIABILITIES</b>		
Advance from customers	125150	60000
Un-paid dividends *	17199	17199
Other Payables #	775509	795110
	<u>917858</u>	<u>872309</u>
* This amount, due and outstanding, to be credited to Investor Education and Protection Fund.		
# Includes Statutory dues & security deposit		
<b>2.7 SHORT TERM PROVISION</b>		
Provisions for Employee Benefits- Bonus	1657233	1580644
	<u>1657233</u>	<u>1580644</u>

NOTE NO 2.8 FIXED ASSETS :

(FIGURES IN RUPEES)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	As at 01.04.2015	Additions / adjustments	Deductions/ adjustments	As at 31.03.2016	As at 01.04.2015	FOR THE YEAR	Deductions/ adjustments	Upto 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
<b>Tangible Assets</b>										
Building	36154425	0	0	36154425	23636567	531342	0	24167908	11986517	12517858
Plant and Equipments	24847718	460982	0	25308700	15650111	887002	0	16537113	8771587	9197607
Office Equipments	8365010	258408	0	8623418	7236216	462556	0	7698772	924646	1128794
Furniture and Fixtures	5356435	0	0	5356435	3157654	298286	0	3455940	1900495	2198781
Vehicles	8624168	1296504	780415	9140257	5524471	687305	664310	5547466	3592791	3099697
<b>Total (a)</b>	<b>83347756</b>	<b>2015894</b>	<b>780415</b>	<b>84583235</b>	<b>55205019</b>	<b>2866490</b>	<b>664310</b>	<b>57407199</b>	<b>27176036</b>	<b>28142737</b>
<b>Intangible Assets</b>										
Software	6897598	867930	0	7765528	3925988	1567214	0	5493202	2272326	2971610
<b>Total (b)</b>	<b>6897598</b>	<b>867930</b>	<b>0</b>	<b>7765528</b>	<b>3925988</b>	<b>1567214</b>	<b>0</b>	<b>5493202</b>	<b>2272326</b>	<b>2971610</b>
<b>Total (a +b)</b>	<b>90245354</b>	<b>2883824</b>	<b>780415</b>	<b>92348763</b>	<b>59131007</b>	<b>4433704</b>	<b>664310</b>	<b>62900401</b>	<b>29448362</b>	<b>31114347</b>
Previous Year	89134991	1110363	0	90245354	54052674	4607555	470777	59131006	31114347	33084114

Note: \* Motor Vehicles costing ₹ 64.83 lacs are in the name of the Directors of the company.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.9 NON CURRENT INVESTMENTS</b>		
<b>A) QUOTED, FULLY PAID EQUITY SHARES, NON TRADING, AT COST</b>		
Gujrat Fluorochemicals Ltd - 300 Shares of ₹ 10/- each	32475	—
Canara Bank -4100 shares of ₹ 10/- each	143500	175975
	<u>175975</u>	<u>175975</u>
<b>B) UNQUOTED</b>		
In wholly owned Subsidiary Company		
450250 fully paid Equity shares of US \$ 1 each in Shantivijay Jewels International Ltd Mauritius.	18826410	18826410
183000 fully paid Equity shares of ₹10/- each of German Garden Ltd.	2021613	
Less : Provision for Diminution in the value	2021613	0
	<u>0</u>	
(Total Provision for diminution in the value of Investment ₹ 20.22 lacs) (Market Value of quoted shares ₹ 9.32 Lacs, Previous Yr ₹ 20.65 Lacs) (Book value ₹1.76 Lacs, Previous year ₹1.76 Lacs)		
<b>TOTAL</b>	<u><u>19002385</u></u>	<u><u>19002385</u></u>
<b>2.10 LONG TERM LOANS AND ADVANCES</b>		
Un-secured, considered good		
Loans and advances to Employees	436000	701500
Capital advances-Advance against property	29369200	29369200
Balances with Tax authorities	16418295	12699704
Other loans & advances	9134337	9795667
Rental Deposits	12703230	12703230
Other Security Deposits	850930	726540
<b>TOTAL</b>	<u><u>68911992</u></u>	<u><u>65995841</u></u>
<b>2.11 INVENTORIES</b>		
(Raw materials and Finished goods are valued at lower of the cost or net realisable value & Stores, Spares & Tools are valued at lower of the cost or net realisable value.)		
Raw Materials	172743015	142964636
Finished Goods	55974808	59323730
Stores & Spares	1992180	1239282
Loose tools	1129969	1083585
<b>TOTAL</b>	<u><u>231839972</u></u>	<u><u>204611233</u></u>
<b>2.12 TRADE RECEIVABLES</b>		
Un-secured considered good		
Debts outstanding for a period exceeding six months from the date they were due for payment	27267772	11975936
Other debts considered good	106647186	144132386
	<u>133914958</u>	<u>156108321</u>
<b>2.13 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	604812	544333
Balance with Bank		
In current and Deposit Account *	12491414	12006861
	<u>13096226</u>	<u>12551194</u>

\*a) Includes Un paid Dividend A/c ₹ 17199/- (Pr.yr ₹ 17199/-)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

	31.03.2016 (₹)	31.03.2015 (₹)
b) Bank FDR of ₹ 15937/- with maturity of more than one year		
<b>2.14 SHORT TERM LOANS AND ADVANCES</b>		
Un-secured, considered good		
Balances with Tax authorities	9317153	3912555
Advances to Employees and Contractors	330638	725386
Prepaid Expenses	1095956	1176677
Other Advances	1269748	145226
	<u>12013495</u>	<u>5959844</u>
<b>2.15 OTHER CURRENT ASSETS</b>		
Interest accrued on FDR	601031	113992
Other Current Assets	272897	214467
	<u>873928</u>	<u>328459</u>
<b>2.16 REVENUE FROM OPERATIONS</b>		
Sales -Jewellery	573746932	572682314
Sales- Diamond	20548798	112702687
Sales- P.stones &Others	2337235	3002421
Services-Labour charges	333646	119000
<b>TOTAL</b>	<u>596966611</u>	<u>688506422</u>
<b>2.17 OTHER INCOME</b>		
Dividend - Long term Investments	54050	29450
Interest received #	1432942	1451817
Excess prov for exp written back	0	6504
Rent recd	444000	3720000
<b>TOTAL</b>	<u>1930992</u>	<u>5207771</u>
# Interest received includes bank interest on deposit of ₹ 6.82 lacs (Pr.yr 6.97 lacs) and Interest on loans and advances of ₹7.51 lacs (Pr. Yr.7.55 lacs)		
<b>2.18 MATERIALS</b>		
<b>1) COST OF MATERAILS CONSUMED</b>		
Gold	111902898	117420754
Diamond	336685006	371573599
Others	30919788	22948749
	<u>479507692</u>	<u>511943102</u>
<b>2) PURCHASE OF STOCK IN TRADE</b>		
Diamond & P/stones	22139669	111702701
<b>2.19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK - IN -TRADE</b>		
Opening Stock of Finished Goods	59323730	39469405
Add : Purchases of Finished Goods	4248551	52054987
	<u>63572281</u>	<u>91524392</u>
Less : Closing Stock of Finished Goods	55974808	59323730
Less : Melting of Finished Goods	4248551	50929987
<b>TOTAL</b>	<u>3348922</u>	<u>(18729325)</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	17796604	16650583
Contribution to PF & Other Funds	2318312	2228003
Welfare Expenses	77629	68952
	<b>20192545</b>	18947538
Directors Remuneration (Including ₹ 3,13,202 /- for perks)	7513202	6881784
<b>TOTAL</b>	<b>27705747</b>	<b>25829322</b>
<b>2.21 FINANCIAL COSTS</b>		
Interest paid	8424047	6772409
Loss on foreign currency translation	0	1059264
<b>TOTAL</b>	<b>8424047</b>	<b>7831673</b>
<b>2.22 OTHER EXPENSES</b>		
Consumable Stores, Spares & Tools	2691438	4234076
Labour Charges	27795896	25153216
Rent	3153553	2916274
Electricity Charges	3000699	3096491
Directors Sitting Fees	30000	155000
Professional & Technical Fees	2255754	2696042
Bank Charges	1047979	1138454
ECGC Premium charges	890316	790028
Rates & Taxes	135139	142642
<b>Repairs &amp; Maintenance :</b>		
Repairs & Maintenance to Machinery	527220	1197051
Buidling	2750	6900
Others	1684801	1423058
Donations	520002	762502
<b>Auditors Remuneration :</b>		
As Auditors	580000	550000
For Taxation Services	120000	100000
	<b>700000</b>	650000
Insurance	554957	540033
Commission & Discount	1954474	1759235
Loss on Foreign currency transaction / translation	118856	2746135
loss on Sale of Car	27216	0
Other General Expenses	11468658	12687807
<b>Prior Period Items</b>		
Postage & Telephone	0	1000
Licence fees	0	7815
Repairs & maint- others	6343	0
Service Tax	20627	0
Sundry Expenses	0	14305
Bank Charrges	618	0
Freight & forwarding	1313	0
<b>TOTAL</b>	<b>58588609</b>	<b>62118064</b>
<b>2.23 TAX EXPENSES</b>		
<b>Current Tax:</b>		
Short provision of Income tax relating to earlier year	0	135777
	0	135777
Deferred Taxes	(5000)	134000
<b>TOTAL</b>	<b>(5000)</b>	<b>269777</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

	31.03.2016	31.03.2015
	(₹ in Lacs)	(₹ in Lacs)
<b>2.24 CONTINGENT LIABILITIES</b>		
i) In respect of Income Tax matters contested by the company	741.85	2374.02
ii) In respect of Custom Duty matter	4.51	4.51
iii) Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for in the accounts.	0.00	0.00

**2.25 FINANCIAL AND DERIVATIVE INSTRUMENT: -**

- 1) The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- 2) Foreign Currency exposure that is not hedged by forward exchange contract as on 31-03-2016 ₹ 140.22 Lacs on account of Imports & others (Pr. Yr 320.84 Lacs) and ₹1096.85 lacs on account of Export of goods. (Previous Year ₹ 1357.88 lacs)

**2.26 a) CONSUMPTION OF IMPORTED & INDIGENOUS RAW MATERIALS & STORES**

A) RAW MATERIALS CONSUMED	(₹ in Lacs)	%	(₹ in Lacs)	%
Indigenous	3568.47	71%	4963.43	80%
Imported	1448.01	29%	1273.03	20%
<b>B) STORES &amp; TOOLS CONSUMED</b>				
Indigenous	18.14	67%	16.23	39%
Imported	8.78	33%	24.94	61%
<b>b) CIF VALUE OF IMPORTS</b> (Including Inter Unit Purchases)	(₹ in Lacs)		(₹ in Lacs)	
Raw Materials	405.41		611.5	
Stores & Consumables & Spares	4.84		12.17	
Finished Goods	42.30		508.89	
Fixed Assets	0.71		0.00	
<b>TOTAL</b>	<b>453.26</b>		<b>1132.56</b>	
<b>c) EARNINGS IN FOREIGN EXCHANGE</b>				
FOB Value of Exports	5547.21		6292.84	
<b>d) EXPENDITURE IN FOREIGN CURRENCY</b>	(₹ in Lacs)		(₹ in Lacs)	
Travelling Expenses	15.10		10.54	
Exhibition Expenses & Advances	10.25		9.07	
Bank Charges	0.72		0.55	
Membership & subscription	0.80		0.24	
Postage & Telephone	0.13		0.36	
Sales Commission	0.00		1.46	
Sales Promotion expenses	0.00		0.00	
Books & periodicals	0.00		0.00	
<b>TOTAL</b>	<b>27.00</b>		<b>22.21</b>	

**2.27 SEGMENT REPORTING**

Company is exclusively engaged in the Gems & Jewellery Business, which as per Accounting Standard AS-17 is considered the only primary reportable business segment.

**GEOGRAPHICAL SEGMENT REPORTING (GEMS & JEWELLERY)**

COUNTRY	SALES		BALANCE ON	
	31/03/2016	31/03/2016	31/03/2015	31/03/2015
<b>EXPORTS</b>				
U.S.A.	3391.25	460.92	2899.81	590.13
EUROPE	930.19	105.94	466.33	32.70
MIDDLE EAST	1015.48	529.99	1771.58	424.13
OTHERS	216.93	0.93	1164.43	315.54
LOCAL SALES	412.49	241.37	581.72	198.59
<b>TOTAL</b>	<b>5966.33</b>	<b>1339.15</b>	<b>6883.87</b>	<b>1561.08</b>

(Contd.)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)****2.28 RELATED PARTY TRANSACTIONS**

Related Party Disclosures have been set out below. The Related parties, as defined by Accounting Standard 18 related party disclosure, issued by Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of information available with the Company.

**A) Wholly owned Subsidiary Companies**

- i) Shantivijay Jewels International Ltd-Mauritius
- ii) Shantivijay Impex DMCC (Subsidiary of Shantivijay Jewels International Ltd.)

**B) Associate Companies**

- i) Precious Gems Pvt. Ltd.
- ii) Diamondere Pvt. Ltd.

**C) Key Management Personnel**

Shree Pradeep Kumar Godha - Chairman & Managing Director  
Shree Anurag Godha - Vice Chairman & Managing Director

**D) Relatives of Key Management Personnel and Associates**

Smt Rajrani Godha  
Smt Sudha Godha  
Smt Namita Godha  
Shree Varun Godha  
Smt Deepika Godha

} Relatives of Directors

Details of Transactions are as below,

(Figures in ₹)

SR. NO	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION AMOUNT 31.03.2016	OUTSTANDING 31.03.2016	TRANSACTION AMOUNT 31.03.2015	OUTSTANDING 31.03.2015
1	Shantivijay Impex DMCC	Subsidiary of Wholly owned subsidiary	Sales	0	0 DR	12708000	0 DR
2	Diamondere P Ltd	Associate Company	Sales & Labour Rent	9615028 420000	5965683 DR	14879783 420000	4670150 DR
3	Pradeep Kumar Godha	Managing Director	Remuner+perks	3720896	455338 CR	3369006	530521 CR
4	Anurag Godha	Managing Director	Remuner+perks	3792306	410508 CR	3413184	434519 CR
5	Rajrani Godha	Relative of Director	Rent paid Security deposit paid	120000 0	66500 CR 12000000 DR	85000 0	64904 CR 12000000 DR
6	Sudha Godha	Relative of Director	Remuneration +Bonus	277200	158985 CR	223200	64421 CR
7	Namita Godha	Relative of Director	Remuneration +Bonus	277200	322392 CR	223200	165575 CR
8	Varun Godha	Relative of Director		0	46914 CR	0	210841 CR
9	Deepika Godha	Relative of Director	Remuneration +Bonus	192000	0 CR	192000	0 CR

**Surety given to Company's banker by Third parties**

1	Rajrani Godha	Relative of Director	Surety given to Company bankers (without any charge)	Market value	41160000	41160000
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**2.29 LEASE DISCLOSURES**

In past Company had entered into 3 Lease agreements which have been terminated during the year. Company have taken Premises on Lease, portion of which sub leased for ₹ 4.20 lacs recognised on straight line basis in Profit & Loss A/c.

**2.30 EARNING PER SHARE (EPS)**

EPS computed in accordance with Accounting Standard - 20.

Basic & Diluted	(₹ in Lacs)	
	31.03.2016	31.03.2015
Loss after Tax as per Accounts	(52.46)	(118.59)
Number of Equity Shares issued	3002000	3002000
Par Value of the Shares	10	10
EPS (Basic & Diluted) ₹	(1.75)	(3.95)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)****2.31 ACCOUNTING FOR DEFERRED TAX**

The deferred Tax Asset has arisen mainly on account of timing difference between Depreciation admissible under Income Tax Rules and Depreciation in Books.

Major components of Deferred Tax Asset is arising on account of timing difference as under:

<b>Deferred Tax Assets</b>	<b>Upto 31/03/2016</b>	<b>(₹ in lacs) Upto 31/03/2015</b>
<b>Assets</b>		
Difference between Book & Tax Depreciation	<b>31.71</b>	31.65
Less : Provision for Gratuity	<b>1.09</b>	1.09
Net Deferred tax assets	<b>30.61</b>	30.56
Deferred Tax Asset Provision required	<b>0.05</b>	(1.34)

**2.32** The Profit & Loss A/c includes exchange difference of ₹ NIL (Credit) (Pr Year ₹NIL) and ₹ 1.19 lacs (Debit) (Pr year ₹ 38.05 lacs Dr)

**2.33** Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006;

There are no outstanding dues payable to parties covered under the Micro, Small and Medium Enterprises as per MSMED Act, 2006. This information has been determined to the extent such parties have been identified on the basis of information available with the company.

During the year, Company have not paid any interest to such suppliers and no interest was accrued and remaining unpaid at the year end. This has been relied upon by the auditors.

**2.34** Figures of previous year has been regrouped and rearranged wherever necessary.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**1 & 2**

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

For **SHANTIVIJAY JEWELS LTD.**

Sd/-  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

Sd/-  
**P. K. GODHA**  
(Chairman & M.D)

Sd/-  
**A. K. GODHA**  
(Vice Chairman & M.D)

Place : **MUMBAI**  
Dated : 5<sup>th</sup> August, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	2016 (₹)	(₹ in Thousands) 2015 (₹)
<b>A. CASH FLOW FROM OPERATION ACTIVITIES :-</b>		
<b>Net Loss before tax &amp; extraordinary items</b>	<b>(5251)</b>	<b>(11589)</b>
<b>Add: Adjustments for :</b>		
Depreciation & Amortisation	4434	4607.6
Finance Cost	8424	7831.7
	<b>7607</b>	<b>850</b>
<b>Adjustments for :</b>		
Interest/Dividend Received	(1487)	(1481)
<i>Operating Loss before working capital changes</i>	<b>6120</b>	<b>(631)</b>
<b>Adjustments for :</b>		
<b>(Increase)/ Decrease in operating assets</b>		
Inventories	(27229)	4746
Trade receivables	22193	17384
Short term loans & advances	(6054)	4341
Other non-current assets	0	16
Long term loans & advances	802	(3148)
Other Current assets	(545)	3582
	<b>(4712)</b>	<b>26288</b>
<b>Increase /(Decrease) in operating liabilities</b>		
Trade Payables	20951	(7321)
Other Current liabilities	46	(3608)
Other long term liabilities	0	(440)
Long term provisions	2	154
Short term Provisions	77	103
<b>Cash generated from Operation</b>	<b>16364</b>	<b>15176</b>
Finance Cost	(8424)	(7832)
Taxes Paid	(3719)	(5126)
<b>Net cash (used in)/ from Operating activities</b>	<b>4221</b>	<b>2219</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
Purchase of Fixed assets	(2884)	(1110)
Sale /Impairment of Fixed Assets.	116	0
Interest & Dividend Received	1487	1481
<b>Net cash(used in)/from Investment activities</b>	<b>(1281)</b>	<b>371</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
Decrease in Bank borrowings	(2395)	(6885)
<b>Net cash used in Finance activities</b>	<b>(2395)</b>	<b>(6885)</b>
<b>NET DECREASE IN CASH EQUIVALENTS (B+C+A)</b>	<b>545</b>	<b>(4296)</b>
Cash and Cash Equivalents		
Opening Balance	12551	16847
Closing Balance	<b>13096</b>	<b>12551</b>
	<b>545</b>	<b>(4296)</b>

() Indicates deductions.

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

**Sd/-**  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

**Place : MUMBAI**  
**Dated : 5<sup>th</sup> August, 2016**

For SHANTIVIJAY JEWELS LTD.

**Sd/-**  
**P. K. GODHA**  
(Chairman & M.D)

**Sd/-**  
**A. K. GODHA**  
(Vice Chairman & M.D)



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Shantivijay Jewels Limited.

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

- 1) We have audited the accompanying consolidated financial statements of Shantivijay Jewels Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2016, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after refer to as the consolidated financial statements).

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

- 2) The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Grouping accordance with the accounting principles generally accepted in India, including the Accounting Standards specified Under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

- 3) Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 4) We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 5) We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
- 6) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
- 7) We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our unqualified audit opinion on the consolidated financial statements.

### **Opinion**

- 8) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

- 9) We did not audit the financial statements of the Subsidiary Companies, Shantivijay Jewels International Limited and its Subsidiary Shantivijay Impex DMCC Dubai whose consolidated financial statements reflect total assets (Net) of ₹ 2547.58 lakhs as at

March 31, 2016 and total revenues of ₹ 2841.76 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the Subsidiary Companies, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

10) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified Under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors of the Company, as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries, none of the Directors of the Group Companies is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act,
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure ' and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us,
  - i. The Consolidated financial statements disclose the compact of pending litigations on the consolidated financial position of the Group Refer Note 2.24 to the consolidated financial statements.
  - ii. The Group does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For B. F. CHORDIA & CO**  
**CHARTERED ACCOUNTANTS**  
**FRN : 101914W**

Sd/-  
**B. F. CHORDIA**  
**PROPRIETOR**  
**MEMBERSHIP No. : 9026**

PLACE : MUMBAI  
DATE : August 5, 2016

## **ANNEXURE TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

- 1) In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of Shantivijay Jewels Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

- 2) The respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

- 3) Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- 4) Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

- 6) A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
  - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company
  - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and
  - (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

- 7) Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

- 8) In our opinion, the Holding Company and its Subsidiary Companies, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

- 9) Our aforesaid reports under Section 143(3) (1) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting in so far as it related to the subsidiaries, is based on the corresponding reports of the auditors of such companies.

For **B. F. CHORDIA & CO**  
Chartered Accountants  
FRN : 101914W

Sd/-  
B. F. CHORDIA  
Proprietor  
Membership No. : 9026

PLACE : MUMBAI  
DATE : August 5, 2016

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**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars	Note No	As at 31 st March 2016 (₹)	As at 31st March 2015 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	30020000	30020000
(b) Reserves and Surplus	2.2	444275383	426724916
<b>(2) Non-Current Liabilities</b>			
(a) Long -term provisions	2.3	337496	335111
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	2.4	167724981	170120467
(b) Trade payables	2.5	101464558	106835968
(c) Other current liabilities	2.6	1653299	16095122
(d) Short-term provisions	2.7	1657233	1580644
<b>Total</b>		<u>747132950</u>	<u>751712227</u>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
(i) Tangible assets	2.8	33743796	34738987
(ii) Intangible assets	2.8	2272326	2971610
(b) Non-current investments	2.9	175975	175975
(c) Deferred tax assets (net)		3061000	3056000
(d) Long term loans and advances	2.10	69568530	66615216
<b>(2) Current assets</b>			
(a) Inventories	2.11	405312070	410524246
(b) Trade receivables	2.12	193305631	198483196
(c) Cash and cash equivalents	2.13	19524265	17618195
(d) Short-term loans and advances	2.14	19295430	17200345
(e) Other current assets	2.15	873928	328459
<b>Total</b>		<u>747132950</u>	<u>751712227</u>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>	<b>1 &amp; 2</b>		

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

For SHANTIVIJAY JEWELS LTD.

Sd/-  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

Sd/-  
**P. K. GODHA**  
(Chairman & M.D)

Sd/-  
**A. K. GODHA**  
(Vice Chairman & M.D)

Place : MUMBAI  
Dated : 5<sup>th</sup> August, 2016

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No	31.03.2016 (₹)	31.03.2015 (₹)
I. Revenue from operations	2.16	881142116	987629973
II. Other Income	2.17	1930992	5207771
<b>III. Total Revenue (I +II)</b>		<b>883073108</b>	<b>992837744</b>
<i>IV. Expenses:</i>			
Cost of materials consumed	2.18	479507692	511943102
Purchase of Stock-in-Trade	2.18	22139669	111702701
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.19	269013737	261146489
Employee benefit expense	2.20	29327172	27218405
Financial costs	2.21	8424047	7831673
Depreciation and amortization expense		4906105	5051687
Other expenses	2.22	65298588	70622500
<b>Total Expenses</b>		<b>878617011</b>	<b>995516559</b>
V. Profit before tax (III - IV)		4456096	(2678815)
VI. Tax expense:			
(1) Current tax	2.23	0	135777
(2) Deferred tax		(5000)	134000
VII. Profit for the period from continuing operations		4461096	(2948592)
VIII. Earning per equity share:			
Equity share of par value of ₹ 10/- each			
(1) Basic & Diluted		1.49	(0.98)
Number of shares used in computing earning per share			
(1) Basic & Diluted		3002000	3002000
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>	<b>1 &amp; 2</b>		

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

For SHANTIVIJAY JEWELS LTD.

**Sd/-**  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

**Sd/-**  
**P. K. GODHA**  
(Chairman & M.D)

**Sd/-**  
**A. K. GODHA**  
(Vice Chairman & M.D)

**Place : MUMBAI**  
**Dated : 5<sup>th</sup> August, 2016**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES & OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Information :**

Shantivijay Jewels Ltd. is located in Special Economic Zone Mumbai having its showroom in Trident Hotel, Mumbai and factory at MIDC, Andheri. Company is engaged in Manufacturing and exports of wide range of studded gold jewellery and Diamond and P.stones. Company is having two Subsidiaries. {as per Note No b (c)}

**a) System of Accounting:**

- i) The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis unless otherwise stated hereinafter.
- ii) The Accounts are prepared under historical cost convention, as a going concern and generally in accordance with applicable Accounting standards.

**b) Principles of Consolidation :**

- a) The Consolidated financial statements relates to Shantivijay Jewels Ltd ('the company') and its wholly owned Subsidiary Company Shantivijay Jewels International Ltd Mauritius and it's Subsidiary Shantivijay Impex DMCC Dubai. The consolidated financial statements have been prepared on the following basis.  
The Financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
- b) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
- c) The Subsidiary Companies considered in the consolidated financial statements are,

<b>Name of the Company</b>	<b>Country of Incorporation</b>	<b>% of Voting Power held as at 31.03.2016</b>
a) Shantivijay Jewels International Ltd	Mauritius	100%
b) Shantivijay Impex DMCC (Wholly owned subsidiary of Shantivijay Jewels International Ltd)	Dubai	100%

**c) Exchange Adjustments**

Incase of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.

**d) Fixed Assets and Depreciation :**

**i) Tangible Assets**

- a) Fixed Assets are stated at their cost of acquisition less Deprecation. Additions to Fixed assets are net of Modvat Credit. Rubber moulds of small value have not been capitalised and considered as consumables and charged to revenue.
- b) Depreciation on all Fixed Assets is provided on written down value method at the rates and in the manner prescribed by Schedule II of the Companies Act 2013. Assets costing up to ₹ 5000/- are depreciated fully in the year of Purchase. Depreciation on additions / Deletions of Assets is provided on Pro-Rata basis.

**ii) Intangible Assets :**

**Computer Software :**

Intangible Assets are stated at cost of acquisition less accumulated amortization.  
Computer Software is amortized over a period of Five Years in equal installments.

**e) Investments**

Long term Investments are valued at cost with an appropriate provision for permanent diminution in value. Current investments are stated at lower of the cost or quoted / fair value.

**f) Inventories**

- (A) Raw materials are valued at lower of the cost or net realisable value; cost is arrived at on FIFO basis. Cost includes costs incurred in bringing them to their present location.
- (B) Stores & Consumables are valued at lower of the cost or net realisable value.

(Contd.)

- (C) Loose Tools are valued at lower of the cost or net realisable value.  
 (D) Finished goods are valued at lower of the cost or net realisable value. Cost of finished goods is determined by taking material, labour and appropriate factory overheads.  
 (E) Inventory of spares, Rubber Moulds is not valued and is charged to revenue.

**g) Foreign Currency Transaction**

- (a) Transactions denominated in Foreign Currencies are normally recorded at the exchange rate prescribed by customs at the time of transaction.  
 (b) Monetary items denominated in foreign currencies at the year-end are restated at the year end rates. In case of forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognised as exchange difference and premium or discount on forward exchange contracts is recognised over the life of the contract.  
 (c) Non-monetary foreign currency items are carried at cost.  
 (d) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.  
 (e) Exchange difference on acquisition of fixed assets is adjusted to carrying cost of such fixed assets.

**h) Employee Benefits**

Company have opted for Group Gratuity Scheme with LIC of India; Company's contribution based on a actuarial valuation by LIC is charged to Profit & Loss Account. Contribution to Provident / Family Pension Fund as percentage of salary is charged to Profit & Loss Account on accrual basis. Accrued leave Salary is estimated and provided on accrual basis. The expense is recognised at present value of amount payable to Employees. Total liability for Leave Salary outstanding at year end rate is ₹ 6.90 Lacs.

**i) Taxation**

Provision for current tax is made considering Rules/ benefits admissible under Income tax Act 1961. Deferred Tax Asset resulting from timing difference between book profit and taxable profit for the year is calculated by using tax rates & tax laws that have been enacted or substantially enacted at the Balance sheet date.

**j) Other Significant Accounting Policies**

These are set out in the Notes to Accounts under Significant Accounting Policies for Financial statements of the Company and its Subsidiaries.

**2. CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

The previous period figures have been regrouped /reclassified, wherever necessary to conform to the current presentation.

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.1 SHARE CAPITAL</b>		
Authorised- Equity shares of ₹ 10 par value 6000000 Equity Shares	<b>60000000</b>	60000000
<b>Issued, Subscribed &amp; Paid Up</b>		
3002000 Equity Shares of ₹ 10/- par value fully paid	<b>30020000</b>	30020000
<b>TOTAL</b>	<b>30020000</b>	30020000

- (1) Refer to note 2.30 for details of basic and diluted shares.

The Company has only one class of shares referred to as equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share.

**The details of shareholder holding more than 5% shares as at March 31, 2016 is set out below :**

Name of the shareholder	31.03.2016		31.03.2015	
	No of shares	%	No of shares	%
1 Rajrani Bimalchand Godha	823178	27.42	748778	24.94
2 Pradeepkumar Bimalchand Godha	480853	16.02	480853	16.02
3 Anurag Bimalchand Godha	477943	15.92	477943	15.92
4 Varun Pradeep Kumar Godha	268500	8.94	268500	8.94
5 Namita Anurag Godha	191295	6.37	191295	6.37
6 Sudha Pradeepkumar Godha	188795	6.29	188795	6.29
7 Anish Anurag Godha	151600	5.05	151600	5.05



**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

The reconciliation of the number of shares outstanding as at March 31, 2016 and March 31, 2015 is set out below :

Particulars	As at 31.03.2016		As at 31.03.2015	
		No. of Shares		No. of Shares
Number of shares at the beginning and at the end		3002000		3002000
		₹ 30020000/-		₹ 30020000/-
<b>2.2 RESERVE AND SURPLUS</b>				
Security Premium Reserve		46797952		46797952
Capital Reserve		20055422		20055422
General Reserve				
Opening Balance	108961350		109432127	
Less: Difference of reassessment of Useful life of Fixed assets as per SCH II	0	108961350	470777	108961350
Exchange Translation reserve		66781761		53692389
<b>Profit &amp; Loss Account</b>				
Opening Balance	197217802		200166394	
Add : Trf from statement of profit & loss	4461096		(2948592)	
<b>TOTAL</b>		<b>201678898</b>		<b>197217802</b>
		<b>444275383</b>		<b>426724916</b>
<b>2.3 LONG TERM PROVISIONS</b>				
Provision for Employee benefits-Gratuity		337496		335111
<b>TOTAL</b>		<b>337496</b>		<b>335111</b>
<b>2.4 SHORT TERM BORROWINGS</b>				
PACKING CREDIT (Secured)		111580342		125545757
DISCOUNTED BILLS (Secured)		56144639		44574710
(Against hypothecation of stocks, collaterally secured by hypothecation of Book debts & Machinery and Negative Lien of Immovable property of Bharat Diamond Bourse and Rajrani Godha, personally guaranteed by whole time Directors.)				
<b>TOTAL</b>		<b>167724981</b>		<b>170120467</b>
<b>2.5 TRADE PAYABLES</b>				
Trade Payables		101464558		106835968
(Including ₹ 8.66 lacs Due to Directors pr year 9.65 lacs)		101464558		106835968
<b>2.6 OTHER CURRENT LIABILITIES</b>				
Advance from customers		403201		14513563
Un-paid dividends*		17199		17199
Other Payables #		1232899		1564360
<b>TOTAL</b>		<b>1653299</b>		<b>16095122</b>
* This amount, due and outstanding, to be credited to Investor Education and Protection Fund.				
# Includes Statutory dues & security deposit				
<b>2.7 SHORT TERM PROVISIONS</b>				
Provisions for Employee Benefits- Bonus		1657233		1580644
<b>TOTAL</b>		<b>1657233</b>		<b>1580644</b>

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

NOTE NO 2.8 FIXED ASSETS :

(FIGURES IN ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	As at 01.04.2015	Additions / adjustments	Deductions/ adjustments	As at 31.03.2016	As at 01.04.2015	FOR THE YEAR	Deductions/ adjustments	Upto 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
<b>Tangible Assets</b>										
Building	45463743	0	0	45463743	25963929	996947	0	26960876	18502867	19104608
Plant and Equipments	24847718	460982	0	25308700	15650111	887002	0	16537113	8771587	9197607
Office Equipments	8365010	258408	0	8623418	7236216	462556	0	7698772	924646	1128794
Furniture and Fixtures	7353806	54789	0	7408595	5144955	311735	0	5456690	1951905	2208281
Vehicles	8624168	1296504	780415	9140257	5524471	687305	664310	5547466	3592795	3099701
<b>Total (a)</b>	<b>94654445</b>	<b>2070683</b>	<b>780415</b>	<b>95944713</b>	<b>59519682</b>	<b>3345544</b>	<b>664310</b>	<b>62200917</b>	<b>33743796</b>	<b>34738987</b>
<b>Intangible Assets</b>										
Software	6897598	867930	0	7765528	3925988	1567214	0	5493202	2272326	2971610
<b>Total (b)</b>	<b>6897598</b>	<b>867930</b>	<b>0</b>	<b>7765528</b>	<b>3925988</b>	<b>1567214</b>	<b>0</b>	<b>5493202</b>	<b>2272326</b>	<b>2971610</b>
<b>Total (a + b)</b>	<b>101552044</b>	<b>2938613</b>	<b>780415</b>	<b>103710241</b>	<b>63445671</b>	<b>4912759</b>	<b>664310</b>	<b>67694119</b>	<b>36016121</b>	<b>37710597</b>
Previous Year	99801680	1110363	0	100912043	57669237	5061431	470777	63201445	37710596	41840344

Note : \*Motor Vehicles costing ₹ 64.83 lacs are in the name of the Directors of the Company.

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.9 NON CURRENT INVESTMENTS</b>		
<b>A) QUOTED, FULLY PAID EQUITY SHARES, NON TRADING, AT COST</b>		
Gujrat Fluorochemicals Ltd - 300 Shares of ₹ 10/- each	32475	32475
Canara Bank - 4100 shares of ₹ 10/- each	143500	143500
183000 fully paid Equity shares of ₹ 10/- each of German Garden Ltd.	2021613	0
Less : Provision for Diminution in the value	2021613	0
(Total Provision for diminution in the value of Investment ₹ 20.22 lacs)		
(Market Value of quoted shares ₹ 9.32 Lacs, Previous Yr ₹ 20.65 Lacs)		
(Book value ₹1.76 Lacs, Previous year ₹1.76 Lacs)		
<b>TOTAL</b>	<b>175975</b>	<b>175975</b>

(Aggregate provision for diminution in the value of investment of ₹ 20.21 lacs for 183000 shares of German Garden)

	31.03.2016 (₹)	31.03.2015 (₹)
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**2.10 LONG TERM LOANS AND ADVANCES**

Un-secured, considered good		
Loans and advances to Employees	436000	701500
Balances with Tax authorities	16418295	12699704
Capital advances-Advance against property	29369200	29369200
Other loans & advances	9339580	9989292
Rental Deposits	12703230	12703230
Other Security Deposits	1302225	1152290
<b>TOTAL</b>	<b>69568530</b>	<b>66615216</b>

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.11 INVENTORIES</b>		
(Rawmaterials and Finished goods are valued at lower of the cost or net realisable value & Stores, Spares & Tools are valued at lower of the cost or net realisable value.)		
Raw Materials	172743015	142964636
Finished Goods	229446906	265236743
Stores & Spares	1992180	1239282
Loose tools	1129969	1083585
<b>TOTAL</b>	<b>405312070</b>	<b>410524246</b>
<b>2.12 TRADE RECEIVABLES</b>		
Un-secured considered good		
Debts outstanding for a period exceeding six months from the date they were due for payment	63620803	22581561
Other debts considered good	129684829	175901636
<b>TOTAL</b>	<b>193305631</b>	<b>198483196</b>
<b>2.13 CASH AND CASH EQUIVLAENTS</b>		
Cash on Hand	651518	588521
Balance with Bank		
In current and Deposit Account*	18872747	17029674
<b>TOTAL</b>	<b>19524265</b>	<b>17618195</b>
*a) Includes Un paid Dividend A/c ₹ 17199/- (Pr.yr ₹ 17199/-)		
b) Bank FDR of ₹ 15937/- with maturity of more than one year		
<b>2.14 SHORT TERM LOANS AND ADVANCES</b>		
Un secured, considered good		
Balancees with Tax authorities	9317153	3912555
Advances to Employees and Contractors	330638	725386
Prepaid Expenses	2053136	2109990
Other Advances	7594503	10452414
<b>TOTAL</b>	<b>19295430</b>	<b>17200345</b>
<b>2.15 OTHER CURRENT ASSETS</b>		
Interest accrued on FDR	601031	113992
Other Current Assets	272897	214467
<b>TOTAL</b>	<b>873928</b>	<b>328459</b>
<b>2.16 REVENUE FROM OPERATIONS</b>		
Sales-Jewellery	857922437	871805865
Sales-Diamond	20548798	112702687
Sales-P.stones &Others	2337235	3002421
Services-Labour charges	333646	119000
<b>TOTAL</b>	<b>881142116</b>	<b>987629973</b>

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

	31.03.2016 (₹)	31.03.2015 (₹)
<b>2.17 OTHER INCOME</b>		
Dividend - Long term Investments	54050	29450
Interest received #	1432942	1451817
Excess prov for exp written back	0	6504
Rent recd	444000	3720000
<b>TOTAL</b>	<b>1930992</b>	<b>5207771</b>
# Interest received includes bank interest on deposit of ₹ 6.82 lacs (Pr.yr 6.97 lacs) and Interest on loans and advances of ₹7.51 lacs (Pr. Yr.7.55 lacs)		
<b>2.18 MATERIALS</b>		
<b>1) COST OF MATERIALS CONSUMED</b>		
Gold	111902898	117420754
Diamond	336685006	371573599
Others	30919788	22948749
	<b>479507692</b>	<b>511943102</b>
<b>2) PURCHASE OF STOCK IN TRADE</b>		
Diamond & P/stones	22139669	111702701
<b>2.19 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
Opening Stock of Finished Goods	265236743	228331644
Add : Purchases of Finished Goods	237472451	348981575
	<b>502709194</b>	<b>577313219</b>
Less : Closing Stock of Finished Goods	229446906	265236743
Less : Melting of Finished Goods	4248551	50929987
<b>TOTAL</b>	<b>269013737</b>	<b>261146489</b>
<b>2.20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries & Wages	19418029	18039666
Contribution to PF & Other Funds	2318312	2228003
Welfare Expenses	77629	68952
	<b>21813970</b>	<b>20336621</b>
Directors Remuneration	7513202	6881784
<b>TOTAL</b>	<b>29327172</b>	<b>27218405</b>
<b>2.21 FINANCIAL COSTS</b>		
Interest paid	8424047	6772409
Loss on foreign currency translation	0	1059264
<b>TOTAL</b>	<b>8424047</b>	<b>7831673</b>

CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)

	31.03.2016 (₹)		31.03.2015 (₹)
<b>2.22 OTHER EXPENSES</b>			
Consumable Stores, Spares & Tools	2691438		4234076
Labour Charges	27795896		25153216
Rent	5386075		4818100
Electricity Charges	3207664		3301160
Directors Sitting Fees	30000		155000
Professional & Technical Fees	2986470		3507869
Bank Charges	1078292		1172820
ECGC Premium charges	890316		790028
Rates & Taxes	135139		142642
<b>Repairs &amp; Maintenance :</b>			
Repairs & Maintenance to Machinery	527220	1197051	
Building	2750	6900	
Others	2004591	1588408	2792359
Donations	520002		762502
<b>Auditors Remuneration :</b>			
As Auditors	817279	772097	
For Taxation Services	120000	100000	
	937279		872097
Bad Debts written off	617107		1948606
Insurance	568284		561864
Commission & Discount	1954474		1759235
Loss on Foreign currency transaction / translation	154200		2759343
loss on Sale of Car	27216		0
<b>Prior Period Items</b>			
Postage & Telephone	0	1000	
Licence fees	0	7815	
Repairs & maint- others	6343	0	
Service Tax	20627	0	
Sundry Expenses	0	14305	
Bank Charges	618	0	
Freight & forwarding	1313	0	23120
Other General Expenses	13755273		15868464
<b>TOTAL</b>	<b>65298588</b>		<b>70622500</b>
<b>2.23 TAX EXPENSES</b>			
<b>Current Tax:</b>			
Short provision of Income tax relating to earlier years	0		135777
	0		135777
Deferred Taxes	(5000)		134000
<b>TOTAL</b>	<b>(5000)</b>		<b>269777</b>
<b>2.24 CONTINGENT LIABILITIES</b>			
		₹ in lacs	
i) In respect of Income Tax matters contested by the company	741.85		2374.02
iii) In respect of Custom Duty matter	4.51		4.51
iv) Estimated Amount of Contracts remaining to be executed on Capital Accounts and not provided for in the accounts.	0.00		0.00

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)****2.25 SEGMENT REPORTING**

Company is exclusively engaged in the Gems & Jewellery Business, which as per Accounting Standard AS-17 is considered the only primary reportable business segment.

**GEOGRAPHICAL SEGMENT REPORTING (GEMS & JEWELLERY)**

COUNTRY	SALES		BALANCE ON	
	31/03/2016	31/03/2016	31/03/2015	31/03/2015
<b>EXPORTS</b>				
U.S.A.	3560.12	579.66	3081.15	612.08
EUROPE	2294.33	256.40	2487.90	194.16
MIDDLE EAST	1836.29	540.01	2410.95	649.35
OTHERS	699.51	315.62	1313.39	330.65
LOCAL SALES	412.49	241.37	581.72	198.59
	<b>8802.74</b>	<b>1933.06</b>	<b>9875.11</b>	<b>1984.83</b>

(₹ in lacs)

**2.26 RELATED PARTY TRANSACTIONS**

Related Party Disclosures have been set out below. The Related parties, as defined by Accounting Standard 18 related party disclosure, issued by Institute of Chartered Accountants of India, in respect of which the disclosures have been made, have been identified on the basis of information available with the Company.

**A) Wholly owned Subsidiary Companies**

- i) Shantivijay Jewels International Ltd-Mauritius
- ii) Shantivijay Impex DMCC (Subsidiary of Shantivijay Jewels International Ltd.)

**B) Associate Companies**

- i) Precious Gems Pvt. Ltd.
- ii) Diamondere Pvt. Ltd.

**C) Key Management Personnel & Relatives**

- Shree Pradeep Kumar Godha - Chairman & Managing Director  
Shree Anurag Godha - Vice Chairman & Managing Director

**D) Relatives of Key Management Personnel and Associates**

- Smt Rajrani Godha  
Smt Sudha Godha  
Smt Namita Godha  
Shree Varun Godha  
Smt Deepika Godha
- } Relatives of Directors

Details of Transactions are as below,

SR. NO	NAME OF THE PARTY	RELATIONSHIP	NATURE OF TRANSACTION	TRANSACTION AMOUNT 31.03.2016	OUTSTANDING 31.03.2016	TRANSACTION AMOUNT 31.03.2015	OUTSTANDING 31.03.2015
1	Diamondere P. Ltd.	Associate Company	Sales & Services Rent	9615028 420000	5965683 DR	14879783 420000	4670150 DR
2	Pradeep Kumar Godha	Managing Director	Remuner+perks	3720896	455338 CR	3369006	530521 CR
3	Anurag Godha	Managing Director	Remuner+perks	3792306	410508 CR	3413184	434519 CR
4	Rajrani Godha	Relative of Director	Remuneration+Bonus and rent paid Security deposit paid	120000 0	66500 CR 12000000 DR	85000 0	64904 CR 12000000 DR
5	Sudha Godha	Relative of Director	Remuneration +Bonus	277200	158985 CR	223200	64421 CR
6	Namita Godha	Relative of Director	Remuneration +Bonus	277200	322392 CR	223200	165575 CR
7	Varun Godha	Relative of Director		0	46914 CR	0	210841 CR
8	Deepika Godha	Relative of Director	Remuneration+Bonus	192000	0 CR	192000	0 CR

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

**Surety given to Company's banker by Third parties**

1	Rajrani Godha	Relative of Director	Surety given to Company bankers (without any charge)	Market value	41160000	41160000
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**2.27 EARNING PER SHARE (EPS)**

EPS computed in accordance with Accounting Standard - 20.

**Basic & Diluted**

	<b>2016</b>	(₹ in Lacs) 2015
Profit after Tax as per Accounts	<b>44.61</b>	(29.49)
Number of Equity Shares issued	<b>3002000</b>	3002000
Par Value of the Shares	<b>10</b>	10
EPS (Basic & Diluted) ₹	<b>1.49</b>	(0.98)

**2.28** Additional information, as required under Schedule III to the Companies Act 2013 of enterprises consolidated as subsidiary :

Name of the Enterprise	Net Assets i.e total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated Net Assets	₹ in Lacs	As of % of consolidated profit or loss	₹ in Lacs
<b>Parent</b>				
Shantivijay Jewels Ltd	51%	2557.97	(106)	(47.38)
<b>Foreign Subsidiary</b>				
Shantivijay Jewels Intl Ltd	27%	1325.96	(23)	(10.08)
Shantivijay Impex DMCC	22%	1093.01	229	102.07
		4976.93		44.61

Since subsidiary company and its subsidiaries are wholly owned companies there is no minority interest.

**2.29** Figures of previous year has been regrouped and rearranged wherever necessary.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 & 2

IN TERMS OF OUR ATTACHED REPORT OF EVEN DATE

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

**For SHANTIVIJAY JEWELS LTD.**

Sd/-  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

Sd/-  
**P. K. GODHA**  
(Chairman & M.D)

Sd/-  
**A. K. GODHA**  
(Vice Chairman & M.D)

Place : MUMBAI  
Dated : 5<sup>th</sup> August, 2016

**CONSOLIDATED NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016 (Contd.)**

	2016 (₹)	2015 (₹)
(₹ in Thousands)		
<b>A. CASH FLOW FROM OPERATION ACTIVITIES :-</b>		
<b>Net Loss before tax &amp; extraordinary items</b>	<b>4078</b>	<b>(2054)</b>
<b>Add: Adjustments for :</b>		
Depreciation & Amortisation	4913	5062
Finance Cost	8424	7832
	<b>17415</b>	<b>10840</b>
<b>Adjustments for :</b>		
Interest/Dividend Received	(1487)	(1481)
<i>Operating Loss before working capital changes</i>	<b>15928</b>	<b>9358</b>
<b>Adjustments for :</b>		
<b>(Increase) / Decrease in operating assets</b>		
Inventories	7720	12537
Trade receivables	18162	(4514)
Short term loans & advances	(27328)	23765
Long term loans & advances	802	(3148)
Other Current assets	(545)	3582
	<b>14740</b>	<b>41580</b>
<b>Increase / (Decrease) in operating liabilities</b>		
Trade Payables	(7896)	(7058)
Other Current liabilities	10910	(13857)
other long term liabilities	0	(440)
Long term provisions	2	154
Short term Provisions	(281)	(323)
<b>Cash generated from Operation</b>	<b>17476</b>	<b>20055</b>
Finance Cost	(8424)	(7832)
Taxes Paid	(3719)	(5126)
<b>Net cash (used in)/ from Operating activities</b>	<b>5333</b>	<b>7097</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :-</b>		
Purchase of Fixed assets	(2939)	(1110)
Sale / Impairment of Fixed Assets.	116	0
Interest & Dividend Received	1487	1481
<b>Net cash( used in)/from Investment activities</b>	<b>(1336)</b>	<b>371</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :-</b>		
Decrease in Bank borrowings	(2395)	(6885)
<b>Net cash used in Finance activities</b>	<b>(2395)</b>	<b>(6885)</b>
<b>NET DECREASE IN CASH EQUIVALENTS (B+C+A)</b>	<b>1602</b>	<b>582</b>
Cash and Cash Equivalents		
Opening Balance	17922	17021
Closing Balance	19524	17603
	<b>1602</b>	<b>582</b>

( ) Indicates deductions.

As per our report of even date attached.

**B. F. Chordia & Co.**  
Chartered Accountants  
FRN: 101914W

Sd/-  
**B. F. Chordia**  
Proprietor  
Membership No. 9026

Place : MUMBAI  
Dated : 5<sup>th</sup> August, 2016

For SHANTIVIJAY JEWELS LTD.

Sd/-  
**P. K. GODHA**  
(Chairman & M.D.)

Sd/-  
**A. K. GODHA**  
(Vice Chairman & M.D.)







3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43<sup>rd</sup> Annual General Meeting of the Company, to be held on Friday, 9<sup>th</sup> September, 2016 at 3.00 p.m. at Conference Hall, All India Institute of Local Self-Govt, Sthanikraj Bhavan, C.D. Barfiwala Marg, Juhu Gali, Andheri (West), Mumbai - 400058, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Optional*	
		For	Against
1	Adoption of Financial Statements (Standalone and Consolidated) for the year ended 31 <sup>st</sup> March, 2016.		
2	To appoint a Director in place of Shri. Anurag Godha, who retires by rotation and, being eligible, offers himself for reappointment.		
3	To appoint Auditors and to fix their remuneration.		
4	To appoint Shri. Jayant B. Shah as Director		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Proxy holder(s) \_\_\_\_\_

Affix Re. 1/- Revenue Stamp
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Signature of shareholder \_\_\_\_\_

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent, of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.  
 \* it is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

----- (Tear Here) -----