

19TH ANNUAL REPORT

OF

**SHUKRA BULLIONS LIMITED
FOR THE YEAR ENDING 31.03.2013**

BOARD OF DIRECTORS

MR. CHANDRAKANT H SHAH
MRS. MAYURI C. SHAH
MR. SAURABH C SHAH
MR. GAURAV C SHAH

MR. ANIL M. PATEL
MR. VINOD N SHAH

MR. RAMJI KHIMJI RAJPUT
MR. SANDIP SHAH

CHAIRMAN & MANAGING DIRECTOR
DIRECTOR
DIRECTOR
ADDITIONAL DIRECTOR
(APPOINTED ON 04/06/13) &
(CEASED W.E.F. 25.07.2013)
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
(CEASED W.E.F.21/02/13)
INDEPENDENT DIRECTOR
ADDITIONAL (INDEPENDENT) DIRECTOR
(W.E.F. 25.07.2013)

AUDITORS

S K JHA & CO.
CHARTERED ACCOUNTANTS
204, ISCON PLAZA,
SATELLITE ROAD,
SATELLITE ,
AHMEDABAD- 380015.

BANKERS

ORIENTAL BANK OF COMMERCE
ICICI BANK LIMITED MUMBAI
ICICI BANK LIMITED AHMEDABAD
THE FEDERAL BANK LIMITED

REGISTERED OFFICE

S-17,CHIRAG INDUSTRIAL COMPLEX,
39/40, GOLDEN INDUSTRIAL ESTATE,
SOMNATH ROAD,
DAMAN (U.T.)-396210.

CORPORATE OFFICE

232, PANCHRATNA,
OPERA HOUSE,
MUMBAI- 400004.
MAHARASHTRA

FACTORY :-

UNIT NO. 158D PLOT NO. 158
SURAT SPECIAL ECONOMIC ZONE,
SACHIN SURAT GUJARAT

REGISTRAR AND TRANSFER AGENT

BIG SHARE SERVICES PVT LIMITED
E-2, ANSA INDUSTRIAL ESTATE,
SAKI VIHAR ROAD
SAKI NAKA, ANDHERI (EAST), MUMBAI

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VENUE OF AGM AND OTHER DETAILS

DATE : SEPTEMBER 27, 2013

DAY : FRIDAY

TIME : 11.30 A.M.

VENUE : CHIRAG INDUSTRIAL COMPLEX
39/40, GOLDEN INDUSTRIAL ESTATE,
SOMNATH ROAD
DAMAN (U.T.) - 396210

BOOK CLOSURE DATE : From 21th September TO 27th September 2013

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
Somnath Road, Daman(U.T) 396210

NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHUKRA BULLIONS LIMITED WILL BE HELD ON 27TH SEPTEMBER, 2013 AT 11.30 A.M AT THE REGISTERED OFFICE OF THE COMPANY AT CHIRAG INDUSTRIAL COMPLEX, 39/40 GOLDEN INDUSTRIAL ESTATE, SOMNATH ROAD, DAMAN (U.T) - 396210, TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended **31st March 2013** and the Balance Sheet as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mayuri Shah, who retires by rotation and, being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Anil Patel, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint M/s S.K Jha & Co., Chartered Accountants, as auditors to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
Somnath Road, Daman(U.T) 396210

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolutions:

5. To appoint Mr. Sandip Shah as Director of the Company

“RESOLVED THAT Mr. Sandip Shah, who was appointed as an additional director of the Company on 25th July, 2013 pursuant date of the ensuing Annual General Meeting and in respect of whom the provisions of Section 260 of the Companies Act, 1956 to hold office till the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the Company whose office shall be liable to retire by rotation

By order of the Board of Directors
For **Shukra Bullions Limited**

Mr. Chandrakant H Shah,
Director

REGISTERED OFFICE:
S-17, Chirag Industrial Complex,
39/40, Golden Industrial Estate,
Somnath Road
Daman (U.T) 396210

Date : 30.07.2013
Place: Mumbai

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
Somnath Road, Daman(U.T) 396210

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

A proxy form duly completed and stamped, must reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The registered of members and the share transfer books of the company will remain closed from **21/09/2013 to 27/09/2013** (both days inclusive) in connection with the Annual General Meeting.
3. Shareholder/Proxy holders are requested to produce at the entrance, the attached Admission slip duly completed and signed, for admission to the meeting hall.
4. Members desiring any information as regard accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. Members are requested to bring their copy of the Annual Report to the Meeting.
6. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is enclosed.

7. INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed and reappointed is furnished below:

Shukra Bullions Limited

**S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
Somnath Road, Daman(U.T) 396210**

Item No 2 of the Notice

1	NAME OF DIRECTOR	Mrs. Mayuri Shah
2	Age	54Years
3	Date of Appointment	14.02.1995
4	Expertise	Management
5	Qualification	B.com

Item No 3 of the Notice

1	NAME OF DIRECTOR	Mr. Anil Patel
2	Age	43 Years
3	Date of Appointment	31.12.2005
4	Expertise	Management
5	Qualification	HSC

Item No 5 of the Notice

1	NAME OF DIRECTOR	Mr. Sandip Shah
2	Age	56 Years
3	Date of Appointment	25.07.2013
4	Expertise	Management
5	Qualification	B.Com

By order of the Board of Directors
FOR **SHUKRA BULLIONS LIMITED**

Chandrakant Shah
Director

**REGISTERED OFFICE:
S-17, Chirag Industrial Complex,
39/40, Golden Industrial Estate,
Somnath Road
Daman (U.T) 396210**

**Date: 30.07.2013
Place: Mumbai**

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
Somnath Road, Daman(U.T) 396210

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF
THE COMPANIES ACT, 1956.**

Item No. 5

Mr. Sandip Shah was appointed as an Additional Director of the Company with effect from 25th July, 2013 pursuant to the provision of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company. Pursuant to the provisions of the said section, the term of the office of the said Director shall expire at the ensuing Annual General Meeting of the Company.

None of the directors are interested in this resolution except Mr. Sandip Shah.

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
Somnath Road, Daman(U.T) 396210

DIRECTORS' REPORT

To,
The Members,
SHUKRA BULLIONS LIMITED

Your Directors take great pleasure in presenting the 19th Annual Report together with Audited Accounts for the year ended 31st March, 2013

FINANCIAL RESULTS:

	31stMarch 2013	31stMarch 2012
	Rs.(In lakhs)	Rs. (In lakhs)
Income from Operations	306.60	275.87
Other Income	0.23	0.07
Total Expenditure	305.67	274.56
Interest Cost	0.00	0.00
Profit before depreciation	1.16	1.38
Depreciation	0.00	0.00
Profit before Tax	1.16	1.38
Provision for tax	0.24	0.52
Deferred Tax	0.79	(0.57)
Profit after tax	0.13	1.43
Less : Proposed Dividend	0.00	0.00
Less : Transfer to G.R	0.00	0.00
Balance carried forward to B/S	0.13	1.43

OPERATION

The Company has set up a jewellery manufacturing unit for the exports at special economic zone at Sachin near Surat. Company is also engaged in trading of Gems & Jewellery item during the year.

During the under review the Company has achieved turnover of Rs. 3.06 Crore compared to Rs. 2.76 Crore previous year.

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
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CURRENT YEAR OUT LOOK

Company is negotiating for export orders with international buyers and management is hopeful to achieve higher turnover during the year

DIVIDEND

No Dividend has been recommended by the Board as there was not sufficient profit in the company during the year.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mrs. Mayuri Shah, Director of the Company, retires by rotation and being eligible, offers herself for re- appointment.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Anil Patel, Director of the Company, retires by rotation and being eligible, offers himself for re- appointment.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Gaurav C Shah has been appointed as an additional director on 04.06.2013 under provision of the section 262 of the Companies Act, 1956.

In accordance with the provisions of the Companies Act, 1956 and Company's Article of Association Mr. Sandip Shah has been appointed as an additional (Independent) director on 25th July, 2013 under the provisions of the Section 260 of the Companies Act, 1956 and Mr. Gaurav shah has resigned from the directorship on 25th July, 2013.

AUDITORS

The Company's Auditors M/s. S. K Jha & Co., Chartered Accountants retire on the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

PUBLIC DEPOSITS:

Your Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
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AUDITOR'S REPORT

The auditors of the Company has pointed out that the Company has not made provision for depreciation amounting to Rs. 3,12,132 for assets at SEZ & Daman The Management of the Company is of the opinion that same need not be provided as no manufacturing activities have been undertaken during the financial year.

Except above observation made in the Auditor's Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act 1956.

PARTICULARS OF EMPLOYEES

There were no employees whose remuneration during the financial year 2012-2013 were in excess of the limits prescribed under Section 217(2A) of the Companies Act,1956 read with the companies (Particulars of Employees) Rules, 1975.

DISCLOSURE UNDER SECTION 274(1)(g)

None of the Directors of the Company are disqualified for being appointed as Directors as specified under section 274(1) (g) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000.

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 FOR THE YEAR ENDED 31ST MARCH 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

Information required under section 217(1)(e) of Companies Act.

CONSERVATION OF ENERGY,

The Company's operations involve very low energy consumption whenever possible measures have already been implemented. The measures set out above do not have any significant impact on the overall cost of the production.

TECHNOLOGY ABSORPTION

No technology has been imported during the year.

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
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FOREIGN EXCHANGE EARNINGS/OUTGO

The Company mainline of Business is the manufacturing of Diamond Studded Gold, Jewellery & Trading in Cut & Polished Diamonds.

Total Foreign Exchange Earned : NIL

Total Foreign Exchange Outgo : NIL

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management confirm that

- i) That In the presentation of the Annual Accounts for the year ended 31st March,2013 the applicable accounting standards has been followed along with proper explanation relating to material departures, if any;
- ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March,2013 and of the profit or loss of the Company for the year under review;
- iii) That the directors have taken Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956,for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts for the year ended 31st March, 2013 have been prepared on a 'going concern bases.'

Shukra Bullions Limited
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LISTING

The Equity shares of the Company are listed at BSE Limited. The Company has paid the Annual listing fee to the above Stock Exchange.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreements with Stock Exchanges, a Management Discussion & Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report.

ACKNOWLEDGEMENTS

Your Directors wish to thank Shareholders, Suppliers, Customers, Banks and Employees for their co-operation and support. Your Directors also wish to place on record the support of the Financial Institutions.

Place : Mumbai
Date : 30.07.2013

For the Board of Director
For SHUKRA BULLIONS LIMITED

Chandrakant Shah,
Director

REGISTERED OFFICE:

S-17, Chirag Industrial Complex,
39/40, Golden Industrial Estate,
Somnath Road
Daman (U.T) 396210

Shukra Bullions Limited
S-17,Chirag Industrial Complex,39/40, Golden Industrial Estate,
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ANNEXURE TO THE DIRECTOR'S REPORT

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988.

CONSERVATION OF ENERGY,

The Company's operations involve very low energy consumption whenever possible measures have already been implemented. The measures set out above do not have any significant impact on the overall cost of the production.

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No technology has been imported during the year.

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The Company mainline of Business is the manufacturing of Diamond Studded Gold, Jewellery & Trading in Cut & Polished Diamonds.

Total Foreign Exchange Earned : NIL

Total Foreign Exchange Outgo : NIL

Place : Mumbai
Date : 30.07.2013

For the Board of Director
For SHUKRA BULLIONS LIMITED

Chandrakant Shah,
Director

REGISTERED OFFICE:

S-17, Chirag Industrial Complex,
39/40, Golden Industrial Estate,
Somnath Road
Daman (U.T) 396210

MANAGEMENT DISCUSSION AND ANALYSIS

GEMS & JEWELLERY INDUSTRY OVERVIEW

The gems and jewellery industry can be classified into various sub segments like diamonds, colored stones, gold and silver jewellery, pearls, etc. However, the two major segments in India are gold and diamonds India dominates the diamond processing trade with 11 out of 12 diamonds being cut and polished in India. India also dominates the gold and silver consumption globally. The industry holds prominent significance as it is a net exporter and provided employment to 1.3 million people directly and indirectly.

Gem and jewellery exports in financial year 2012-13, recorded a 9% fall in value terms, against 30% growth of previous years.

The diamond exported decrease by 14.65% during financial year 2012-13 while gold jewellery exports increased by 23.66%.

Gold and diamond exports in aggregate accounted for about 95% of india's gems and jewellery exports. The gem and jewellery sector in turn, contributed nearly 17% to the total Indian exports in financial 2012-13.

The reasons attributed for the sale are (1) The majority of working women in rural India do not invest in stocks and shares of use other investment instruments and they usually invest their surplus money in jewellery (2) The rural families allocate fixed budgets to buy jewellery for weddings and they buy jewellery at this time irrespective of whether gold prices are high or not. (iii) Rural markets are less affected by the global meltdown as they are agriculture-based.

India is the largest diamond cutting and polishing centre in the world the industry enjoys 60% value share, 82% carat share and 95% share of the world market in terms of number of pieces. In other world, nearly 9 out of 10 diamond sold world wide are cut and polished in India.

Company Overview

Shukra Bullions Limited incorporated in 1995 is in the business of Gems & Jewellery Industry.

Shukra Bullions Limited is growing Company in Diamond & Jewellery. The chief promoter of the Company is Shri Chandrakant H Shah having experience of more than 30 years in the industry.

The Company has set up a jewellery manufacturing unit for the export at Special Economic Zone at Sachin near Surat (Gujarat).

Company is negotiating for export orders with international buyers and management is hopeful to achieve higher export turnover during the year.

FINANCIAL ANNALYSIS

Income

The Company has recorded a Total Income of 30.660 Million (Previous year Rs. 27.587 Million) for the year ended March 31, 2013 primarily due to income from sale of gems & jewellery items. The Company also received other income of Rs.0.02 Million (Previous year Rs. 0.007 Million).

Expenditure

The Company has recorded a total expenditure (excluding depreciation) 30.567 Million (Previous year Rs. 27.456 Million) for the year ended March 31, 2013.

- Cost of goods Sold 30.079 Million (Previous year Rs.27.017 Million) .
- The Company also recorded other expenditure of Rs. 0.49 Million (Previous year Rs.0.44 Million). This is on account of administrative expenses and selling and administrative expenses.

Depreciation & amortization

For the year ended March 31, 2013 the Company has incurred depreciation charges of Rs. NIL (Previous year Rs. NIL Million) .

Deferred tax Liability

The deferred Tax Liability is Rs. 0.08 Million (Previous year(0.06) Million).

Net Profit before Taxes

Due to reasons discussed above, the Company has recorded net profit before taxes and extraordinary items of. Rs. 0.11 Million (Previous year Rs. 0.14 Million) for the year ended 31st March 2013.

TAXES

The Provision for taxes for the year 0.02 Million (Previous Year 0.05 Million)

NET PROFIT

The Company has recorded Net Profit Rs. 0.01 Million (Previous year Rs. 0.14 Million).

SHARE CAPITAL

At present, the Company has only one class of share i.e. Equity share of face value of Rs. 10/- each. As on 31st March 2013 the issued subscribed and paid up capital was Rs. 5.015 Million divided in to 50,15,300 equity shares of Rs. 10/- each.

HUMAN RESOURCES

The Company believes investing in people though creating an environment where people are valued as individuals and are given equal opportunities for achieving professional and personal goals.

CERTIFICATE

In accordance with Clause 49 sub Clause I(D) of the listing agreement with the stock exchanges. I hereby declare that all the Directors and the senior management personal of the Company have affirmed compliance to the code to conduct for the financial year ended 31st March 2013.

Chandrakant Shah
DIRECTOR
Date : 30.07.2013

CORPORATE GOVERNANCE

PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is concerned with creation of long term value of shareholders while also balancing interest of other stakeholder's viz. Employees, Creditors, Government and the society at large. Corporate governance is crucial as it builds confidence and trust, which eventually leads to a more stable and sustained resources flows and long-term partnership with its investors and other stakeholders.

The Corporate Governance framework will encourage efficient use of resources and ensuring accountability for these resources. Its importance lays in the contribution it makes to the overall growth and direction of the business, management accountability and transparency and above all, equitable treatment for its stakeholders.

In Sum, Corporate Governance reinforces the concept of "Your Company" and emphasis that the chairman and Board of Directors are your fiduciaries and trustees, engaged in pushing the business forward and maximizing value for you, the shareholders.

CORPORATE GOVERNANCE

Your Company believes in adopting the best corporate governance practices and protecting rights and interest of stakeholders. We further believe that the shareholders have the right to know complete information on the Board of Directors and the management, their interest in the organisation as well as governance practice to be followed by them.

The report on corporate governance is divided into Six parts:

- I. Board of Directors**
- II. Committees of the Board**
- III. Details of Annual/Extraordinary General Meeting**
- IV. Means of Communication**
- V. Shareholder information**
- VI. Other Disclosures**

I. BOARD OF DIRECTORS

A. The details of the Board of directors of the Company are given below:

Name	Date of appointment	Category & Designation	No. of other directorship
Chandrakant H. Shah	14.02.1995	Executive Non Independent & Whole time Director	2
Mayuri C. Shah	14.02.1995	Executive Non Independent & Whole time Director	2
Saurabh C. Shah	17.03.2012	Non-Executive Independent Director	3
Anil M. Patel	31.12.2005	Non-Executive Independent Director	1
Vinod N Shah*	31.12.2005	Non-Executive Independent Director	1
Ramji Khimji Rajput	17.03.2012	Non-Executive Independent Director	7
Gaurav C Shah**	04.06.2013	Additional Director	3
Sandip Shah	25.07.2013	Non-Executive Additional Independent Director	Nil

*Ceased to be Director due to death w.e.f 21/2/2013

** Ceased to be Director w.e.f. 25.07.2013

B. RESPONSIBILITIES

The Board of Directors' responsibilities include review of:

- Strategy and business plans
- Annual operating and capital expenditure budgets
- Investment and exposure limits
- Business risk analysis and control
- Senior executive appointment
- Compliance with statutory / regulatory requirements and review of major legal issues
- Adoption of quarterly results/ annual results
- Transaction pertaining to purchase disposal of property, major provisions and write offs.

C. BOARD MEETINGS

The meetings of the Board of Directors' are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure, etc. is circulated to all the directors. It also highlights important matters discussed at the audit committee, shareholders grievance committee and at the sub-committee of Directors. **SEVEN** Board meetings were held on 09/04/2012, 31/05/2012, 27/07/2012, 30/08/2012, 30/10/2012, 31/01/2013, 23/02/2013 during the period under review.

Name of the Directors	No. of Board Meeting Attended	No. of Board Meeting Held	Attendance at last A.G.M.
Chandrakant H.Shah	7	7	YES
Mayuri C. Shah	7	7	YES
Anil M.Patel	7	7	YES
Vinod Shah*	6	7	YES
Saurabh C Shah	1	7	YES
Ramji Khimji Rajput	7	7	YES

*Ceased to be Director due to death w.e.f 21/2/2013

II. COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Board of Directors was formed by the Board on 31/12/2005 and the Committee comprises of **three** members. The functions of the committee are as specified in Clause 49 of the Listing Agreement entered with Stock Exchanges in which the Company's shares are listed. There were **four** meetings held on 29/05/2012, 26/07/2012, 29/10/2012 and 28/01/2013 during the period under review. The attendances of members for the meetings are as follows:

Name of the Member	No. of meeting held	No. of meeting attended
Mr.Anil M.Patel	4	4
Mr. Ramji Khimji Rajput	4	4
Mr.Vinod Shah*	4	4
Mr. Saurabh Shah w.e.f 23.02.2013	4	0

*Ceased to be Director due to death w.e.f 21/2/2013

B. REMUNERATION COMMITTEE

Remuneration Committee was constituted on 31/12/2005 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for directors. . No meeting was held during the period under review.

Name of the Member
Mr.Anil M. Patel
Mr. Ramji Khimji Rajput
Mr.Vinod Shah*
Mr. Saurabh Shah w.e.f 23.02.2013

*Ceased to be Director due to death w.e.f 21/2/2013

REMUNERATION POLICY

The Directors are paid remuneration as per the Agreement entered between them and the Company. This Agreement is placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of Directors comprises of salary, commission, perquisites and allowances, contributions to provident fund, superannuation and gratuity. The non-executive directors do not draw any remuneration from the Company.

REMUNERATION OF DIRECTORS

Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
1. Mr. Chandrakant Shah	NIL	NIL	NIL
2. Mrs. Mayuri Shah	NIL	NIL	NIL
3. Mr. Saurabh Shah	NIL	NIL	NIL
4. Mr. Anil Patel	NIL	NIL	NIL
5. Mr. Vinod N Shah*	NIL	NIL	NIL
6. Mr. Ramji Khemji Rajput	NIL	NIL	NIL

*Ceased to be Director due to death w.e.f 21/2/2013

C. SHARE TRANSFER COMMITTEE

The Share Transfer Committee consists of **three** members, The Committee meets on a regular basis to approve transfer of shares, transmission of shares, splitting, consolidation and dematerialization of shares. The shares in Physical form sent for transfer in physical form are processed and registered by the Company within 15 days of receipt of documents, if found in order. During the period under consideration Three Meetings were held on 04/05/2012, 18/05/2012,12/10/2012. The attendances of members for the meetings are as follows:

Name of the Member	Meeting Attended	Meeting Held
Mr.Anil M.Patel	3	3
Mr. Ramji Khimji Rajput	3	3
Mr.Vinod Shah*	3	3
Mr. Saurabh Shah w.e.f 23.02.2013	0	3

*Ceased to be Director due to death w.e.f 21/2/2013

D.SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

The Investor Grievances Committee was constituted on 31/12/2005 to specifically look into the redress of shareholder and investor complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Report, etc. During the period under consideration **Four** meetings were held on 07/04/2012, 09/07/2012, 08/10/2012, 10/01/2013. The constitution of the Committee and the presence of members for the meetings are as follows:

Name of the Member	No. of meeting attended	No of meeting held
Anil Patel	4	4
Ramji Khemji Rajput	4	4
Vinod Shah*	4	4
Mr. Saurabh Shah w.e.f 23.02.2013	0	4

*Ceased to be Director due to death w.e.f 21/2/2013

No. of shareholders complaints/ communication => 1
Received during the year

No. of complaints not resolved to => NIL
The satisfaction of shareholders

No. of pending share transfers => NIL

Name of Compliance Officer => Mr. Mangesh Kolwadkar
Contact No. => 022-23672992

III. DETAILS OF ANNUAL / EXTRAORDINARY GENERAL MEETINGS

Location and time of General Meetings held in last 3 years:

Year	AGM/EGM	Location	Time	Date	Special Resolution
2009-10	AGM	Chirag Ind Complex	3.30 P.M.	29/09/2010	None
2010-11	AGM	Chirag Ind. Complex	3.30 P.M.	29/09/2011	None
2011-12	EGM	Chirag Ind. Complex	11.30 A.M.	03/01/2012	Change of Auditors
2011-12	AGM	Chirag Ind. Complex	11.30 A.M.	28/09/2012	To Appoint Mr. Saurabh Shah & Mr. Ramji Rajput as Directors of the Company

IV. MEANS OF COMMUNICATION:

The Company quarterly and annual results are uploaded on the BSE website. Annual reports are being send by ordinary post every year. Management Discussion & Analysis Report is a part of annual report.

V. SHAREHOLDER INFORMATION

1. ANNUAL GENERAL MEETING

Date and Time => 27th September,2013

Venue => Chirag Industrial Complex,
Golden Industrial Estate, Somnath Road Daman 396210

2. Book Closure Date => 21ST September,2013 to 27th September,2013
(Both days Inclusive)

3. REGISTERED OFFICE => S- 17, Chirag Industrial Complex,
39/40 Golden Industrial Estate,
Somnath Road Daman 396210

4. Listing of Equity
Shares => BSE Ltd

5. Stock code => 531506

6. ISIN No. => INE561E01015

7. Stock Price Data:

MONTH	HIGH	LOW
Apr 12	11.35	10.30
May 12	-	-
Jun 12	-	-
Jul 12	-	-
Aug 12	11.00	10.85
Sep 12	-	-
Oct 12	10.46	9.95
Nov 12	9.00	9.00
Dec 12	8.11	8.11
Jan 13	7.71	7.71
Feb 13	-	-
Mar 13	-	-

8. Registrar & Transfer Agents => BIG SHARE SERVICES PRIVATE LIMITED
 E-2 Ansa Industrial Complex,
 Saki Vihar Road, Saki Naka,
 Andheri (East),
 Mumbai-400 072

Contact Person => Mr. Ansar Shaikh
 Telephone => 022-40430265

9.Share Transfer System :

Shares lodged for transfer at the Company's Registered Office address or the share Transfer Agent's address is processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of Shares are processed and the confirmation is given to the depositories within 15 days.

10. Distribution of shareholding as on 31stMarch, 2013.

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Shares Amount (Rs.)	% of Shareholdings
Upto 5000	1292	94.11	5790000	11.54
5001-10000	21	1.52	197000	0.39
10001-20000	14	1.01	219000	0.44
20001-30000	13	0.95	335000	0.67
30001-40000	3	0.22	111000	0.22
40001-50000	3	0.22	139000	0.28
50001-100000	13	0.95	940000	1.87
100000 & above	14	1.02	42422000	84.59
Total	1373	100.00	50153000	100.00

11. Category of Shareholdings as on 31stMarch, 2013.

Category	No. of Shares	% of total shares
Regular	1014300	20.22
Directors	1073500	21.40
Relatives/ Friends of Directors	1480600	29.53
Mutual Funds	250000	4.98
Group Companies	1195000	23.83
Corporate Bodies	1400	0.03
Non Resident Indians	500	0.01
Total	5015300	100.00

12.SHARE PRICE PERFORMANCE IN COMPARISON WITH BSE SENSEX

Monthly Closing price at the end of the Month	Shukra Bullions limited	BSE SENSEX
April, 2012	11.35	17319
May, 2012	-	16218
June, 2012	-	17233
July, 2012	-	17236
August, 2012	11.00	17380
September, 2012	-	18762
October, 2012	9.95	18505
November, 2012	9.00	19340
December, 2012	8.11	19427
January, 2013	7.71	19895
February, 2013	-	18862
March, 2013	-	18836

13. Demat Position as on 31st March,2013.

Total No. of Shares	Held in Demat Form	Percentage (%)	Held in Physical Form	Percentage (%)
50,15,300	3941000	78.58%	1074300	21.42%

14.Financial Release Dates for 2012-2013

Quarter	Release Date (Tentative and subject to change)
1 st Quarter ending 30 th June	End of July.
2 nd Quarter ending 30 th September	End of October.
3 rd Quarter ending 31 st December	End of January.
4 th Quarter ending 31 st March	End of April.

15. Dematerialization of shares and liquidity:

The Company's equity shares are under demat as well as physical trading. As on March 31, 2013 electronic holding by Members comprising of 3941000 of the total equity of the Company through the National Securities Depository Limited 23808 and Central Depository Services (India) Limited 3917192

16. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity : Nil

17 .Plant Address : Unit No. 158, Plot No. 158-D, Surat Special Economic Zone, Sachin Surat Gujarat.

18. Address for correspondence: 232, Panchratna, Opera House, Mumbai -4
Email: shukrabullions@sify.com

VII. OTHER DISCLOSURES

For, 2012-2013, Company does not have any proposal for postal ballot.

**By order of the Board of Directors
FOR SHUKRA BULLIONS LIMITED**

**Chandrakant Shah
Director**

REGISTERED OFFICE :

S-17, Chirag Industrial Complex,
39/40, Golden Industrial Estate,
Somnath Road
Daman (U.T) 396210

Date : 30.07.2013

Place: Mumbai

To the Members of

SHUKRA BULLIONS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shukra Bullions Limited, for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations there of adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

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

For, S K Jha & Co.
(Chartered Accountants)
FRN.: 126173W

Place : Ahmedabad
Date : 26th July, 2013

Satyendra k Jha
(Partner)
Membership No. 100106

INDEPENDENT AUDITOR'S REPORT

To the Members of

SHUKRA BULLIONS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of SHUKRA BULLIONS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so

required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date subject to following comment;

“In view of no commercial operation in its SEZ unit at Surat the company has not provided for depreciation amounting to Rs. 3,12,132/- during the year.”

And,

- c) in the case of the Cash Flow Statement, of the 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, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 subject to the qualification made in our report above and point no. 1.5, 1.10 and 1.11 of Accounting Policies and Notes of Accounts forming part of audited accounts;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. K. Jha & Co.
Chartered Accountants
FRN: 126173W

Satyendra K Jha
Partner
Membership No. : 100106

Place: Ahmedabad
Date: 24th May 2013

The Annexure referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of Our Report of even date to the members of SHUKRA BULLIONS LIMITED on the accounts of the company for the year ended 31st March, 2013.

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (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.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) During the year, the company has accepted unsecured short term loans amounting to Rs. 21,95,296/- from two party covered under section 301 of the Act. The loan is interest free. Based on the information and explanation given to us, the terms and conditions of loans taken from such parties covered in the register maintained under section 301 of the Act are not prima facie prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) In our opinion and explanation given to us, the transactions exceeding the value of 5 lakh in respect of any party during the year have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time where such prices are available.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. To the best of our knowledge the Central Government has not prescribed the maintenance of cost records U/s 209(1) (d) of the company act, 1956 for any of the products of the company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess 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 there were no outstanding statutory dues as on 31st of March, 2013 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 is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to us, the Company is not dealing in or trading in Shares, Mutual funds & other Investments. Accordingly, the provisions of clause (XIV) of the paragraph 4 of the order are not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For, S. K. Jha & Co.
Chartered Accountants
FRN: 126173W

Place: Ahmedabad
Date: 24th May, 2013

Satyendra K Jha
(Partner)
Membership No. : 100106

SHUKRA BULLIONS LIMITED
BALANCE SHEET AS AT 31st MARCH, 2013

Particulars		Note No.	As at 31/03/2013 ₹	As at 31/03/2012 ₹
I.	<u>EQUITY AND LIABILITIES</u>			
1	Shareholders' funds			
	(a) Share capital	2.1	50,130,500	50,130,500
	(b) Reserves and surplus	2.2	525,795	512,627
2	Non-current liabilities			
	(a) Other Long Term Liabilities	2.3	1,689,681	6,049,681
	(b) Deferred tax liabilities (Net)		119,441	40,906
3	Current liabilities			
	(a) Short-term borrowings	2.4	3,315,296	1,120,000
	(b) Trade payables	2.5	12,428,291	4,156,613
	(c) Other current liabilities	2.6	29,000	29,000
	(d) Short-term provisions	2.7	26,247	52,000
	TOTAL		68,264,251	62,091,327
II.	<u>ASSETS</u>			
	Non-current assets			
1	(a) Fixed assets			
	(i) Tangible assets	2.8	2,562,648	2,562,648
	(b) Non-current investments	2.9	43,277,850	42,841,050
2	Current assets			
	(a) Inventories	2.10	62,61,319	5,954,861
	(b) Trade receivables	2.11	11,660,194	520,000
	(c) Cash and cash equivalents	2.12	3,202,240	8,912,768
	(d) Short-term loans and advances	2.13	500,000	500,000
	(e) Other current assets	2.14	800,000	800,000
	TOTAL		68,264,251	62,091,327
	See accompanying notes forming part of the financial statements			

As per our Report of Even Date Attached

For S. K. Jha & Co.

Chartered Accountants

ICAI Registration No. 126173W

For and on behalf of Board of Directors
Shukra Bullions Limited

Satyendra K. Jha

Partner

M.No. 100106

Date : 24-May-2013

Place : Ahmedabad

Director

Director

Date : 24-May-2013

Place : Ahmedabad

SHUKRA BULLIONS LIMITED

Profit and loss statement for the year ended 31st March, 2013

Particulars		Note No.	For the Year ended on 31/03/2013 ₹	For the Year ended on 31/03/2012 ₹
I.	Revenue from operations	2.15	30,660,194	27,587,603
II.	Other income	2.16	22,710	7,366
III.	Total Revenue (I + II)		30,682,904	27,594,969
IV.	Expenses:			
(a)	Purchases of Stock-in-Trade		30,386,378	26,324,771
(b)	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	2.17	(306,458)	692,668
(c)	Employee benefits expense	2.18	48,000	148,500
(d)	Depreciation and amortization expense	2.8	-	-
(e)	Other expenses	2.19	439,281	290,575
	Total expenses (IV)		30,567,201	27,456,514
V.	Profit before exceptional and extraordinary items and tax (III-IV)		115,703	138,455
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V- VI)		115,703	138,455
VIII.	Extraordinary Items		-	-
IX.	Profit before tax (VII- VIII)		115,703	138,455
X	Tax expense:			
	(1) Current tax		24,000	52,000
	(2) Deferred tax		78,535	(56,600)
XI	Profit (Loss) for the period from continuing operations (IX-X)		13,168	143,055
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(Loss) from discontinuing operations(after tax)(XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		13,168	143,055
XVI	Earnings per equity share:			
	(1) Basic		0.00	0.03
	(2) Diluted		0.00	0.03

As per our Report of Even Date Attached

For, S. K. Jha & Co.
Chartered Accountants

ICAI Registration No. 126173W

For and on behalf of Board of Directors
Shukra Bullions Limited

Satyendra K. Jha
Partner

M.No. 100106

Date : 24-May-2013

Place : Ahmedabad

Director

Director

Date : 24-May-2013

Place : Ahmedabad

SHUKRA BULLIONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

Particulars		For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
(A)	Cash flow from Operating Activities		
	Profit/ (Loss) before extraordinary items and tax	115,703	138,455
	<u>Adjustments for:-</u>		
	Reversal of Provision for Income Tax	(22,710)	-
	Depreciation and Amortisation	-	-
	Cash flow before changes in Working Capital	92,993	138,455
	<u>Changes In Working Capital</u>		
	Trade Payables	39,11,678	(16,910,990)
	Other Current Liabilities	-	(15,120)
	Inventories	(306,458)	692,668
	Trade Receivables	(11,140,195)	22,681,223
	Other Current Assets	2,247	(800,000)
	Cash Flow after changes in Working Capital	(7,439,735)	5,786,236
	Less: Taxes Paid	(29,290)	(52,000)
	Net Cash Flow from Oprating Activities (A)	(7,469,025)	5,734,236
(B)	Cash flow from Investing Activities		
	Proceeds from Sale of Fixes Asset	-	-
	Proceeds from Sale of Investment(net of newly acquired)	(436,800)	-
	Proceeds from Short Term Loans and Advances(net of given)	-	8,539,000
	Net Cash Flow from Investing Activities (B)	(436,800)	8,539,000
(C)	Cash flow from Financing Activities		
	Proceeds from Calls in Arrears	-	-
	Proceeds from Short Term Borrowings(net of repayment)	2,195,296	(6,175,988)
	Net Cash Flow from Financing Activities (C)	2,195,296	(6,175,988)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(5,710,529)	8,097,248
	Cash and Cash Equivalents at the Beginning of the Period	8,912,768	815,520
	Cash and Cash Equivalents at the Ending of the Period	3,202,240	8,912,768

As per our Report of Even Date Attached

For, S. K. Jha & Co.

Chartered Accountants

ICAI Registration No. 126173W

For and on behalf of Board of Directors

Shukra Bullions Limited

Satyendra K. Jha

Partner

M.No. 100106

Date : 24-May-2013

Place : Ahmedabad

Director

Director

Date : 24-May-2013

Place : Ahmedabad

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Company Overview

Shukra Bullions Limited was incorporated as a public limited company on February 14, 1995. The company is engaged in the manufacturing of diamond studded gold jewellery and trading of cut and polished diamond. Earlier known as Shukra Capitals Limited, it acquired its present name on September 09, 1997. Company is having well developed land and building and plant and machinery at the special economic zone (SEZ) near Surat in Gujarat for the manufacturing project. Polished diamonds and gold jewellery are sold in the domestic as well as the export markets.

The registered office of the company is located at Chirag Industrial Complex, 39/40, Gold Industrial Estate, Somnath Road, Daman & Diu-396210 (UT). The corporate office of the company is situated at Opera House, Mumbai.

1. Significant Accounting Policies :

1.1 Basis of preparation of financial statements :-

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the Accrual basis. Accounting Policies not specifically referred to otherwise be consistent and in consonance with generally accepted accounting principles.

1.2 Use of estimates:-

The preparation of the financial statements are in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liability as at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in notes to the financial statement.

1.3 Revenue Recognition :-

Revenue is primarily derived from sale of Gems and Jewellery items. In appropriate circumstances, revenue is recognized when the significant risks and rewards of ownership of the goods are transferred to the customers and no significant uncertainty as to determination or realization exists. Expenses and Income considered payable and receivable respectively are accounting for on accrual basis except retirement benefits which cannot be determined with certainty during the year.

1.4 Fixed Assets :-

Fixed assets are stated at their original cost of acquisition including taxes freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date and impairment if any.

1.5 Depreciation

Depreciation on Fixed Assets is provided on written down value method till date, on the wdv of Fixed Assets as per the rates mentioned in schedule XIV of the company's Act, 1956. Further, in case of addition, depreciation has been provided on pro-rata basis commencing from the date on which the asset is commissioned.

However no depreciation has been charged during the current period on fixed assets forming part SEZ and Daman site as no manufacturing activity has been undertaken during the period.

1.6 Investments :-

Investments are either classified as current or long term investments based on Management's intension at the time of purchase. Long term Investments are stated at their cost. Current investments are carried at the lower of cost and fair value of each investment individually.

1.7 Inventories :-

Inventories are valued as under:-

Polished Diamonds : Valued at cost or realizable value whichever is less.
Gold : Valued at cost or realizable value whichever is less.

1.8 Provision for Current and deferred Tax:-

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax asset arising from carried forward loss and unabsorbed depreciation is recognised to the extent there is virtual certainty that these would be realized in future. The calculation of the same is given herewith under:

Statement showing Deferred Tax Calculation for the financial year 2012-13

Particulars	₹
A) Deferred Tax Asset	
1. Business Loss to be Carried Forward	-
2. Unabsorbed Depreciation	35,068
TOTAL	35,068
DTA @ 30.9%	10,836
B) Deferred Tax Liability	
WDV as per Income tax Act	2,141,040
WDV as per Companies Act	2,562,648
Timing Difference	(421,608)
DTL @ 30.9%	(130,277)
DTL should be as on 31.03.2013	(119,441)
Opening Balance of DTL	40,906
Required to be written off	(78,535)

1.9 Foreign Currency Transactions:-

Foreign currency transactions are accounted on the rates prevailing on the date of transactions. Balances in the form of current assets and current liabilities in Foreign Currency, outstanding on the date of balance sheet are accounted at the rates of exchange prevailing on the date of balance sheet. The gain or losses resulting from such translations are included in the statement of profit and loss.

1.10 Retirement Benefits :-

No liabilities towards retirement benefits are accounted in accordance with AS -15.

1.11 Impairment of Assets:-

An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is determined as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. However, the management has not assessed the impairment loss on the assets of the company.

1.12 Provisions, Contingent Liabilities and Contingent Assets:-

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.13 Earnings per share:-

Earnings per ordinary share have been calculated by dividing the profit/ (loss) for the year attributable to equity shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share have been calculated by dividing the net profit/ (loss) attributable to ordinary equity shareholders by the diluted weighted average number of ordinary shares outstanding during the year.

1.14 Cash Flow Statement:-

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

2 Notes on Accounts for the Year Ended March 31, 2013

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

2.1 Share Capital:

Particulars	As at 31/03/2013	As at 31/03/2012
Authorised 55,00,000 (PY 55,00,000) Equity shares of Rs. 10 each	55,000,000	55,000,000
Issued & Subscribed Capital 50,15,300(PY 50,15,300) Equity shares of Rs. 10 each	50,153,000	50,153,000
Paid up Capital 50,15,300(PY 50,15,300) Equity shares of Rs. 10 each	50,153,000	50,153,000
Less: Calls-in Arrears	22,500	22,500
	50,130,500	50,130,500

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

Board of Directors of the company has not proposed any dividend for the current reporting period.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	5,015,300	50,153,000	5,015,300	50,153,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5,015,300	50,153,000	5,015,300	50,153,000

Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Shukra Jewellery Limited	11,95,000	23.83%	11,95,000	23.83%
Gaurav Shah	900,000	17.95%	900,000	17.95%
Chandrakant H Shah	669,400	13.35%	669,400	13.35%
Mayuri Shah	580,100	11.56%	580,100	11.56%
Saurabh Shah	404,100	8.06%	404,100	8.06%

Details of Calls Unpaid:

Particulars	As at 31 March 2013		As at 31 March 2012	
	Number	₹	Number	₹
Equity Shares	4,500	22,500	4,500	22,500
Total	4,500	22,500	4,500	22,500

2.2 Reserves & Surplus:

Particulars	As at 31/03/2013	As at 31/03/2012
a. Surplus/(deficit) in Statement of Profit and Loss		
Opening balance	512,627	369,572
(+) Net Profit/(Net Loss) For the current year	13,168	143,055
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	525,795	512,627

2.3 Other Long Term Liability

Particulars	As at 31/03/2013	As at 31/03/2012
Trade Payable For Trading Goods	1,689,681	6,049,681
	1,689,681	6,049,681

2.4 Short term Borrowings:

Particulars	As at 31/03/2013	As at 31/03/2012
Unsecured		
Loans and advances from Related Parties (Unsecured) (Refer Note: 2.20)	3,315,296	1,120,000
	3,315,296	1,120,000

2.5 Trade Payables:

Particulars	As at 31/03/2013	As at 31/03/2012
Trade Payables for Trading Goods	12,428,291	4,156,613
	12,428,291	4,156,613

2.6 Other Current Liabilities:

Particulars	As at 31/03/2013	As at 31/03/2012
Creditors for Expenses	29,000	29,000
	29,000	29,000

2.7 Short Term Provisions:

Particulars	As at 31/03/2013	As at 31/03/2012
Provision for Income Tax	24,000	52,000
Provision for Legal & Professional Fees	2,247	-
	26,247	52,000

2.8 Tangible Assets:

Particulars	Rate	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1st April 2012	Additions	Disposals	Balance as at 31st March 2013	Balance as at 1st April 2012	Depreciation charge for the year	On disposals	Balance as at 31st March 2013	Balance as at 31st March 2013	Balance as at 31st March 2012
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Buildings	10%										
-DAMAN		122,715	-	-	122,715	97,948	-	-	97,948	24,767	24,767
-SEZ		850,000	-	-	850,000	162,820	-	-	162,820	687,180	687,180
Plant and Machinery	14%										
-DAMAN		195,610	-	-	195,610	169,006	-	-	169,006	26,604	26,604
-SEZ		602,000	-	-	602,000	157,492	-	-	157,492	444,508	444,508
Tools & Equipments	14%										
-DAMAN		145,610	-	-	145,610	125,806	-	-	125,806	19,804	19,804
-SEZ		114,371	-	-	114,371	29,921	-	-	29,921	84,450	84,450
Mould & Die	14%										
-SEZ		518,224	-	-	518,224	135,575	-	-	135,575	382,649	382,649
Misc. Fixed Assets	14%										
-DAMAN		262,202	-	-	262,202	249,304	-	-	249,304	12,898	12,898
Furniture and Fixtures	18%										
-SEZ		848,290	-	-	848,290	280,562	-	-	280,562	567,728	567,728
Electrical Fittings	18%										
-SEZ		445,210	-	-	445,210	147,248	-	-	147,248	297,962	297,962
Computers	40%										
-DAMAN		158,440	-	-	158,440	157,905	-	-	157,905	535	535
-SEZ		30,700	-	-	30,700	17,137	-	-	17,137	13,563	13,563
Current Year Total		4,293,372	-	-	4,293,372	1,730,724	-	-	1,730,724	2,562,648	2,562,648
Previous Year Total		4,293,372	-	-	4,293,372	1,730,724	-	-	1,730,724	2,562,648	2,562,648

2.9 Non-current Investments:

Particulars	As at 31/03/2013	As at 31/03/2012
Trade Investment Investment in Equity Instrument (1,255,700 Equity shares of ₹ 10 each fully paid up in Shukra Jewellery Limited, a company under the same management) (62,400 Equity Shares acquired in current year @ Rs. 7/ Share) (Market Value of investment as at 31/03/2013 is ₹ 2,511,400/-)	43,277,850	42,841,050
	43,277,850	42,841,050

2.10 Inventories:

Particulars	As at 31/03/2013	As at 31/03/2012
Raw Material	1,705,687	1,705,687
Stock-in-Trade	4,555,632	4,249,174
	6,261,319	5,954,861

2.11 Trade Receivables:

Particulars	As at 31/03/2013	As at 31/03/2012
Unsecured, Considered Good Less than six months	10,713,334	520,000
More than six months	9,46,860	-
	11,660,194	520,000

2.12 Cash and Cash Equivalents:

Particulars	As at 31/03/2013	As at 31/03/2012
Cash on Hand	2,19,754	361,910
Balance with Banks	2,982,486	8,550,858
	3,202,240	8,912,768

2.13 Short Term Loans and Advances:

Particulars	As at 31/03/2013	As at 31/03/2012
Loans and advances Secured, considered good (Refer note: 2.19)	500,000	500,000
	500,000	500,000

2.14 Other Current Assets:

Particulars	As at 31/03/2013	As at 31/03/2012
Balances with Govt. Authorities		
Income Tax	800,000	800,000
	800,000	800,000

2.15 Revenue from Operations:

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
Sale of Diamonds	30,660,194	27,587,603
Sale of services	-	-
Other operating revenues	-	-
<u>Less:</u>		
Excise duty	-	-
Total	30,660,194	27,587,603

2.16 Other Income:

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
Net gain on foreign currency transactions		7,366
Reversal of Provision of Income Tax	22,710	-
Total	22,710	7,366

2.17 Changes in Inventories of Stock -in –Trade:

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
Stock-in-Trade		
Opening Stock	5,954,861	6,647,529
Less: Closing Stock	6,261,319	5,954,861
Decrease/(Increase) in Stock	(306,458)	692,668

2.18 Employee Benefits Expenses:

Particulars	For the year ended 31 March 2013 ₹	For the year ended 31 March 2012 ₹
Salaries and Incentives	48,000	148,500
Total	48,000	148,500

2.19 Other Expenses:

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
	₹	₹
Advertising Expense	2,776	-
Bank Charges	3,644	5,185
Power and fuel	-	64,250
Legal and professional	104,749	86,611
Lease Rent	5,000	-
Payments to auditors(Refer note:	29,000	29,000
Listing Fees	28,090	27,575
Postage & Courier	6,870	56,320
ROC Filling Fees	11,220	-
Registrar & Transfer Agent Fees	20,452	21,634
Service Charges SEZ	2,27,480	-
Total	4,39,281	290,575

2.20 Related Party Disclosures:

Names of related parties and description of relationship:

1. Key Management Personnel and their Relatives:

- Chandrakant H Shah - Key Management Personnel
Gaurav Chandrakant Shah - Relative of Key Management Personnel

2. Enterprises over which Key Management Personnel has significant influence
Shukra Land Developers Limited

The details of amount due to or due from as at March 31, 2013 and March 31, 2012 are as follows:

Particulars	As at 31/03/2013	As at 31/03/2012
<u>Short Term Borrowings</u>		
Shukra Land Developers Limited	2,544,296	1,120,000
Gaurav Chandrakant Shah	7,71,000	-

Transaction taken place during the year with related parties:

Particulars	Year ended on 31/03/2013	Year ended on 31/03/2012
Capital Transaction:		
Short Term Borrowing		
Shukra Land Developers Limited-Borrowing	1,424,296	1,000,000
Gaurav Chandrakant Shah-Borrowing	7,71,000	-
Short Term Loan and Advances (Asset)		
Chandrakant H Shah-Recovery/(Advances)	-	10,000

2.21 Deferred Tax Liability/(Asset):

Particulars	As at 31/03/2013	As at 31/03/2012
Opening Balance	40,906	97,506
Add: Deferred Tax due to Timing Differences		
– Depreciation	78,535	(56,600)
Closing Balance	1,19,441	40,906

2.22 Contingent Liability\Asset:

A demand of ₹ 32,84,840/- has been raised by the Income Tax Authorities for the Assessment Year 2009-10, which the company has not acknowledged as debt. The company has deposited a sum of ₹ 8,00,000 against this demand. This matter of dispute is pending before the Income Tax Appellate Tribunal (ITAT Appeals). The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operation. Based on the decisions of the Appellate Authorities and the other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

2.23 Payments to Auditors:

Particulars	Year ended on 31/03/2013	Year ended on 31/03/2012
As Auditors- Statutory Audit	21,000	21,000
For Taxation Matters	8,000	8,000
For Company Law Matters	-	-
For Other Services	-	-
Total	29,000	29,000

2.24 Impairment Loss:

Management has not assessed any impairment loss on the assets of the company.

2.25 Earnings Per Share (EPS):

Particulars	Year ended on 31/03/2013	Year ended on 31/03/2012
i) Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders	13,168	1,43,055
ii) Weighted Average number of equity shares used as denominator for calculating EPS	50,15,300	50,15,300
iii) Basic and Diluted Earnings Per Share(₹)	0.00	0.03
iv) Face Value per Equity Share(₹)	10	10

For, S K Jha & Co.
Chartered Accountants
ICAI Registration No. 126173W

For and on behalf of Board of Directors
Shukra Bullions Limited

Satyendra K Jha
Partner
M. N.: 100106
Date: 24th-May-2013
Place: Ahmedabad

Director

Director

Date: 24th-May-2013
Place: Ahmedabad

SHUKRA

BULLIONS LIMITED

FORM B

1	Name of the Company	SHUKRA BULLIONS LIMITED
2	Annual Financial Statement for the year ended	31 st March, 2013
3	Type of Audit Qualification	Subject to Relevant Comment in Audit Report as follow : Company has not provided depreciation amounting to Rs. 3,12,132/- during the year.
4	Frequency of Qualification	The above qualification is repetitive since financial year 2011-12.
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the director's report	Relevant Notes in annual financial statement: Note No. 1.5 of significant Accounting Policy of Annual report. Management Response to the qualification in Director's report: Management is of the opinion that depreciation is not required to be provided as no manufacturing activities have been undertaken during the financial year.
6	Additional comments from the board/audit committee chair :	NIL
7	To be signed by :- <ul style="list-style-type: none">• CEO/ Managing Director• CFO• Auditor of the company• Audit Committee Chairman	