

BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Regd Off : Shop No. 1, 1st Floor, Virchand Deepchand Haveli, M. G. Haveli Road,
Manek Chowk, Ahmedabad-380001, CIN : U36910GJ2010PTC060064
Ph. No.: +91-79-26421701, Email : info_bhaktiornaments@vabho.com

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Sixth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2016.

1. STATE OF COMPANY'S AFFAIRS:

Particulars	(Amt in INR)	
	2015-2016	2014-2015
Total Income	19,29,60,426	18,40,61,191
Total Expenditure	19,28,37,872	18,38,20,321
Profit (Loss) before Taxes	1,22,554	2,40,870
Less : Provision for Taxes		
i) Current Tax	0	0
ii) Deferred Tax	0	0
Profit (Loss) after Taxes	1,22,554	2,40,870

2. DIVIDEND:

Your directors do not recommend any dividend on Equity Share.

3. TRANSFER TO RESERVES:

Company does not propose to transfer any amount to Reserves.

4. DIRECTORATE:

All the Directors of the company continue to hold their offices

5. DEPOSITS:

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

The details of deposits / loan taken from directors and relative of directors are as follows

Sr no	Name of directors / relative of directors	Amount so accepted 2015-16
1	VARSHABEN A. MEHTA	15,20,000.00

VARSHABEN A. MEHTA

15,20,000.00

6. PARTICULARS OF EMPLOYEES:

The Company has no employee to whom Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, apply.

7. AUDITOR`S REPORT:

The Auditor's report is self explanatory and there is no negative remark by the Auditors.

8. AUDITORS:

M/s M H Zaveri & Co., (Firm Registration No 127785W), Chartered Accountants, was appointed as statutory auditors of the company, at the Annual General Meeting of the company held on 30th September, 2014, to hold office from the conclusion of that Annual General Meeting for the term of five consecutive years (Financial years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19), subject to ratification by the shareholders annually. As such, shareholders are requested to ratify the appointment of Auditor at the ensuing annual general meeting.

9. DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(a) that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual financial statements have been prepared on a going concern basis;

(e) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of transaction regarding Loans, Guarantees and Investments made by company under Section 186 of the Companies Act, 2013 during the year under review are as per notes to the financial statements.

11. MEETINGS:

During the year Seven Board Meetings were convened and held on 30/06/2015, 07/09/2015, 09/09/2015, 05/10/2015, 23/10/2015, 31/12/2015 and 31/03/2016. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

12. MATERIAL CHANGES AND COMMITMENT:

During the year there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the report.

13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

14. RISK MANAGEMENT:

It may pleased be noted that as per the applicable requirement of Companies Act, 2013 a risk management policy/plan of the Company is developed and implemented for creating and protecting the Shareholder's value by minimizing threats or losses and to identify and Provide a framework that enables future activities of a Company to take place in a consistent and controlled manner. In the opinion of the Board, there is no any risk which may threaten the existence of the company.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure-A".

16. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Company was not required to formulate policy on Corporate Social Responsibility as your company is not falling with the provisions of Section 135 of Companies Act, 2013.

17. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure B".

18. RELATED PARTY TRANSACTION:

Company has not entered into any transactions with the related parties falling under Section 188(1) of the Companies Act, 2013 during the year under review.

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment measures in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year, there were no complaints received under the said act.

20. ACKNOWLEDGEMENTS:

Your Directors wish to thank and deeply acknowledge the Co-operations received from the Bankers of the Company.

For & on Behalf of the Board

Place: - AHMEDABAD

Date: - ૦૬/૧૦/૨૦૧૬

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AKSHAY S. MEHTA
Director
DIN: 02986761

VARSHABEN A. MEHTA
Director
DIN: 02988112

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts)
Rules, 2014]

(A) CONSERVATION OF ENERGY:

(i) the steps taken or impact on conservation of energy : **It mainly includes selection and installation of energy efficient equipments and energy saving devices.**

(ii) the steps taken by the company for utilising alternate sources of energy : **None**

(iii) the capital investment on energy conservation equipments : **Nil**

(B) TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption : **None**

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution : **N.A.**

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported : **None**

(b) the year of import : **N.A.**

(c) whether the technology been fully absorbed : **N.A.**

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **N.A.**

(iv) the expenditure incurred on Research and Development : **Nil**

(C) FOREIGN EXCHANGE EARNINGS & OUTGO:

Foreign Exchange Earnings : Rs. Nil

Foreign Exchange Outgoes : Rs. Nil

For & on Behalf of the Board

Place: - AHMEDABAD

Date: - 04/09/2016

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AKSHAY S. MEHTA
Director
DIN: 02986761

VARSHABEN A. MEHTA
Director
DIN: 02988112

ANNEXURE 'B' TO DIRECTORS' REPORT

Form MGT- 9

**EXTRACT OF ANNUAL RETURN
AS ON PERIOD YEAR ENDED ON 31.03.2016**

[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:	U36910GJ2010PTC060064
ii)	Registration Date [DDMMYY]	30/03/2010
iii)	Name of the Company	BHAJKTI GEMS AND JEWELLERY PRIVATE LIMITED
iv)	Category / Sub-Category of the Company	Private Company , Limited by Shares
v)	Address of the Registered office and contact details Telephone No. Email ID	SHOP NO. 1, 1 ST FLOOR, VIRCHAND DEEPCHAND HAVELI, M. G. HAVELI ROAD, MANEK CHAWK, AHMEDABAD-380001 Tel. No. +91-79-26421701 Email : info_bhaktiornaments@yahoo.com
vi)	Name, Address and contact details of Registrar & Transfer Agents, if Any.	None

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)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Gold Ornaments	36911	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NONE	N.A.	NONE	N.A.	N.A.

27544 2114 21901

CIN 211421

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[As on 1 st -April-2015]				No. of Shares held at the end of the year[As on 31 st -March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	Nil	250000	250000	100	Nil	300000	300000	53.38	20
b) Central Govt	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
c) State Govt(s)	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
d) Bodies Corp.	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
e) Banks / FI	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
f) Any other	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Sub-Total (A) (1)	Nil	250000	250000	100	Nil	300000	300000	53.38	20
(2) Foreign									
a) NRIs-Individuals	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
b) Other-Individuals	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
c) Bodies Corporate	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
d) Banks / FI	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
e) Any other	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Sub-Total (A) (2)	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	Nil
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	Nil	250000	250000	100%	Nil	300000	300000	53.38	20
B. Public Shareholding									
1. Institutions	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
a) Mutual Funds	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
b) Banks / FI	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
c) Central Govt	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
d) State Govt(s)	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
e) Venture Capital Funds	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
f) Insurance Companies	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
g) FIIs	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
h) Foreign Venture Capital Funds	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
i) Others (specify)	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Sub-total (B)(1):-	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
2. Non-Institutions	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
a) Bodies Corp.	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.

ii) Overseas	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
b) Individuals	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
c) Others (specify)	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Non Resident Indians	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Overseas Corporate Bodies	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Foreign Nationals	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Clearing Members	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Trusts	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Foreign Bodies	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Sub-total (B)(2):-	Nil	Nil	N.A.	N.A.	Nil	262000	262000	46.62	46.62
Total Public Shareholding (B)=(B)(1)+(B)(2)	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	N.A.	N.A.	Nil	Nil	N.A.	N.A.	N.A.
Grand Total (A+B+C)	Nil	2,50,000	2,50,000	100	Nil	5,62,000	5,62,000	100	124.8

(ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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 / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Akshay Sevantilal Mehta	5000	2.00	Nil	55000	9.78	Nil	3.89
2	Varshaben Akshay Mehta	5000	2.00	Nil	5000	0.89	Nil	Nil
3	Akshay Sevantilal Mehta, (C/o Bhakti Ornaments)	240000	96.00	Nil	240000	42.70	Nil	Nil
	Total	250000	100.00	Nil	300000	53.38	Nil	3.89

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

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	250000	100	---	---
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Allotment of 50,000 no of equity shares on 23/10/2015 to Mr. Akshay Sevantilal Shah	50,000	8.90	300000	53.38
	At the end of the year	300000	53.38	300000	53.38

(iv) Shareholding Pattern of top ten Shareholders:
(other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pioneer Merchantile Limited	---	---	----	----
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Allotment of 2,62,000 no of equity shares on 23/10/2015	2,62,000	46.62	2,62,000	46.62
	At the end of the year	2,62,000	46.62	2,62,000	46.62

Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AKSHAY SEVANTILAL MEHTA				
	At the beginning of the year	5,000	2.00	----	----
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	Allotment of 50,000 no of equity shares on 23/10/2015	50,000	8.90	55,000	9.79
	At the end of the year	55,000	9.79	55,000	9.79
2	VARSHABEN AKSHAY MEHTA				
	At the beginning of the year	5,000	2.00	----	----
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	N.A.	Nil	N.A.
	At the end of the year	5,000	2.00	5,000	2.00

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,32,120	2,13,19,022	NIL	2,27,51,142
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	14,32,120	2,13,19,022	NIL	2,27,51,142
Change in Indebtedness during the financial year				
* Addition	NIL	NIL	NIL	NIL
* Reduction	-14,32,120	-50,34,029	NIL	-64,66,149
Net Change	-14,32,120	-50,34,029	NIL	-64,66,149
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	1,62,84,993	NIL	1,62,84,993
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: -

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		AKSHAY SHAH	VARSHABEN SHAH	
1	Gross salary			
	a Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1354116	960000	2314116
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission - as % of profit - others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total (A)	1354116	960000	2314116
	Ceiling as per the Act	N.A.	N.A.	N.A.

B. Remuneration to other directors - *NIL*

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors			
	Fee for attending board committee meetings	N.A.	N.A.	N.A.
	Commission	N.A.	N.A.	N.A.
	Others, please specify	N.A.	N.A.	N.A. N.A.
	Total (1)	N.A.	N.A.	N.A.
2	Other Non-Executive Directors			
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD-NIL

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	N.A.	N.A.	N.A.	N.A.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	N.A.	N.A.
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total	N.A.	N.A.	N.A.	N.A.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE

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)
A. COMPANY					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

For & on Behalf of the Board

Place: - AHMEDABAD

Date: - 04/09/2016

અક્ષય અમી મેતા

વર્શબેન એ મેતા

AKSHAY S. MEHTA
Director
DIN: 02986761

VARSHABEN A. MEHTA
Director
DIN: 02988112

MAYANK ZAVERI

B.COM. – A.C.A.

M. H. ZAVERI & CO.

Chartered Accountant

D17, 3rd Floor, Haveli Chambers, H G Haveli Road,
Manekchowk Ahmedabad (Mo.) 9904042291

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED.**

Report on the Financial Statements

We have audited the accompanying financial statements of BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, 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 Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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 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.

assessments, we consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; 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, 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 to the extent applicable.
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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches which is also audited by us)
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches which are prepared by us]
 - d) In our opinion, the aforesaid 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 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**"; and
 - g) With respect to the other matters included in the Auditor's Report and to our 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 XX to the financial statements; [or the Company does not have any pending litigations which would impact its financial position]
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note XX to the financial statements; [or the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses]
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company [or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which required to be transferred]

for **M H ZAVERI AND CO**
Chartered Accountants

MAYANK HASMUKHLAL ZAVERI

Place : AHMEDABAD

Date : 04/09/2016

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED for the year ended 31st March, 2016.

On the basis of 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) These fixed assets have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
 - (c) Total Assets of company includes Immovable property also and the title deeds of immovable properties are held in the name of the company.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and there is no material discrepancies were noticed
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) All terms and conditions are as per the benefits of company and are not prejudicial to the company's Interest.
 - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.
 - (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In respect of loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits.
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7.
 - (a) The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
 - (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have been deposited on time there is no dispute is pending on the part of company.
8. The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. The company doesn't raise any money by way of initial public offer or further public offer (including debt instruments)

10. Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
11. Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for M H ZAVERI AND CO
Chartered Accountants


MAYANK HASMUKHLAL ZAVERI

Place : **AHMEDABAD**

Date : **04/09/2016**

BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Balance Sheet as at 31.03.2015

(Amount in INR)

Particulars	Note No.	As At March 31, 2016	As At March 31, 2015
A Equity and Liabilities			
1 Shareholders' funds			
(a) Share capital	3	5,620,000	2,500,000
(b) Reserves and surplus	4	22,584,660	9,982,111.00
		28,204,660.00	12,482,111.00
2 Non-current liabilities			
(a) Long-term borrowing	5	16,284,993	22,751,142
(b) Deferred tax liabilities (net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
		16,284,993	22,751,142
3 Current liabilities			
(a) Short-term borrowings	6	-	-
(b) Trade payables	7	4,346,570	1,106,793
(c) Other current liabilities	8	58,817	-
(d) Short-term provisions	9	178,719	192,063
		4,584,106	1,298,856
Total		49,073,759	36,532,109.00
B Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	690,913	504,555
(ii) Intangible assets		-	-
(iii) Capital Work in Progress		-	-
		690,913	504,555
(b) Non Current Investments		-	-
(c) Long-term loans and advances		-	-
(d) Other Non Current Assets	11	110,455	-
		801,368	504,555
2 Current assets			
(a) Inventories	12	30,412,101	32,403,518
(b) Trade receivables	13	16,133,498	3,427,545
(c) Cash and cash equivalents	14	1,685,400	20,954
(d) Short-term loans and advances	15	41,392	175,537
(e) Other current assets	16	-	-
		48,272,391	36,027,554
DIFFERENCE			
Total		49,073,759.00	36,532,109.00
Significant accounting policies & Notes on Financial Statement		1 to 23	

As per our report of even date
For, M.H.ZAVERI & CO.
Chartered Accountants
FRN : 127785W

Proprietor:
M.No : 125120
Place: Ahmedabad
Date: 04/09/2016

For and on behalf of the Board of Directors
BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Director AKSHAY S MEHTA Director VARSHA A MEHTA
DIN No. 2986761 DIN No. 02988112
Place: Ahmedabad
Date: 04/09/2016

BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31-03-2016

(Amount in INR)

Particulars	Note No.	For the Year ended March 31, 2016	For the Year ended March 31, 2015
1 Revenue from operations (gross)	17	192,960,414	183,955,935
2 Other Income	18	12	105,256
3 Total Revenue (1+2)		192,960,426	184,061,191
4 Expenses:			
(a) Purchase of stock in trade	19	185,719,247	188,273,027
(b) Changes in inventories of finished goods work-in-progress and Stock-in-Trade	20	1,991,414	(7,573,665)
(c) Employee benefits expense	21	3,817,756	1,975,950
(d) Depreciation and amortization expense		46,558	38,989
(e) Administrative and Other Expenses	22	1,017,878	876,910
(f) Finance Cost	23	245,019	229,110
Total Expenses		192,837,872	183,820,321
5 Profit / (Loss) Before Tax (3-4)		122,554	240,870
6 Tax expense:			
(1) Current tax expense for current year		-	-
(2) Current tax expense relating to prior years		-	-
(3) Deferred tax			
7 Profit (Loss) For The Year (5-6)		122,554	240,870
Earnings per share (Equity Share par value INR 10 each)			
8.i Basic & Diluted:		0.02	0.04
8.ii Weighted average number of equity shares used in computation of Basic & Diluted		5,620,000	5,620,000
Significant accounting policies & Notes on Financial Statement	1 to 23		

As per our report of even date
For, M.H.ZAVERI & CO.
Chartered Accountants
FRN : 127785W

Proprietor:
M.No. :125120
Place: Ahmedabad
Date : 04/09/2016

For and on behalf of the Board of Directors
BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Director AKSHAY S MEHTA Director VARSHA A MEHTA
DIN No. 2986761 DIN NO 02988112
Place: Ahmedabad
Date : 04/09/2016

BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Notes forming part of the financial statements

Note 3

(Amount in INR)

Share Capital

	As at March 31, 2016		As at March 31, 2015	
	Number Of Shares	INR	Number Of Shares	INR
Authorised				
Equity Shares of INR 10/- each, with voting rights	600,000	6,000,000	250,000	2,500,000
	<u>600,000</u>	<u>6,000,000</u>	<u>250,000</u>	<u>2,500,000</u>
Issued, Subscribed and Fully Paid-Up				
Equity Shares of INR 10/- each, with voting rights	562,000	5,620,000	250,000	2,500,000
	<u>5,620,000</u>	<u>5,620,000</u>	<u>250,000</u>	<u>2,500,000</u>
Share Application Money Received				
		5,620,000		2,500,000
Refer Notes (a) to (c) below				

Notes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Buy back	Other changes	Closing Balance
Equity shares with voting rights					
Year ended March 31, 2015					
- Number of shares	250,000	-	-	-	250,000
- Amount (INR 10/- Each)	2,500,000	-	-	-	2,500,000
Year ended March 31, 2016					
- Number of shares	250,000	312,000	-	-	562,000
- Amount (INR 10/- Each)	2,500,000	3,120,000	-	-	5,620,000

(b) Details of rights, preferences and restrictions attached to the shares issued:

The liability of the member is limited.

Right to dividend, Bonus on paripassu basis.

In the event of winding up after the creditors paid up whatever the remaining amount will be paid to equity share holders.

Right to receive notice of any general meeting and exercise the vote either by pole or on show of hands.

Right to receive the annual report of the company every year.

(c) Details of shares held by each share holder holding more than 5% Shares:

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares with voting rights				
AKSHAY SEVANTILALMEHTA	55,000.00	10%	5,000.00	2%
PIONEER MERCENTILE LTD	262,000.00	47%	-	0%
AKSHAY MEHTA C/O BHAKTI ORNAMENTS	240,000	43%	240,000	96%

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR)

	As at March 31, 2016	As at March 31, 2015
Note 4		
Reserves and Surplus	-	-
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	382,106	141,241
Add: Profit/(Loss) for the year	122,554	240,870
Closing Balance	504,660	382,111
General Reserve Account	22,080,000	9,600,000
Total	22,584,660	9,982,111

Note 5
Long - term borrowings

Term loans		
From banks		
Bank od		
Secured	-	1,432,120
Unsecured		-
From others		
Secured		
Unsecured	16,284,993	21,319,022
Total	16,284,993	22,751,142

Note 6
Short- term borrowings

From banks		
Secured	-	-
Unsecured	-	-
From Others		
Total	-	-

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR)

	As at March 31, 2016	As at March 31, 2015
Note 7		
Trade Payables	4,346,570	1,106,793
Acceptances	-	-
Other than Acceptances	-	-
Total	4,346,570	1,106,793
Note 8		
Other Current Liabilities		
Accrued interest Payable	-	-
Advance from customer	-	-
Other payables	-	-
Statutory remittances	58,817	-
Total	58,817	-
Note 9		
Short Term Provisions		
(a) Others		
(i) Provision for Expenses	178,719	192,063
(ii) Provision for Income Tax (Including Fringe Benefit Tax)	-	-
Total	178,719	192,063



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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

NOTE : 10

FIXED ASSETS

Particulars	Rate	Gross Block				Depreciation				Net Block	
		01/04/2015	Additions	Sale/Adj.	31/03/2016	01/04/2015	For the Year	Sale/Adj.	31/03/2016	31/03/2016	31/03/2015
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
LAND AND MACHINERY											
WARE	16.21%	0.00	72,621.00	0.00	72,621.00	0.00	4,502.00	0.00	4,502.00	68,119.00	0.00
UTER	16.21%	98,500.00	0.00	0.00	98,500.00	39,538.00	15,967.00	0.00	55,505.00	42,995.00	58,962.00
CONDITIONER	4.75%	2,89,250.00	0.00	0.00	2,89,250.00	29,596.00	13,739.00	0.00	43,335.00	2,45,915.00	2,59,654.00
TURE	4.75%	0.00	1,14,500.00	0.00	1,14,500.00	0.00	1,813.00	0.00	1,813.00	1,12,687.00	0.00
ODE SYSTEM	4.75%	1,25,135.00	0.00	0.00	1,25,135.00	6,080.00	5,944.00	0.00	12,024.00	1,13,111.00	1,19,055.00
E EQUIPMENT	4.75%	57,101.00	0.00	0.00	57,101.00	5,999.00	2,712.00	0.00	8,711.00	48,390.00	51,102.00
E	4.75%	19,952.00	0.00	0.00	19,952.00	4,175.00	948.00	0.00	5,123.00	14,829.00	15,777.00
RA	4.75%	0.00	45,800.00	0.00	45,800.00	0.00	933.00	0.00	933.00	44,867.00	0.00
		5,89,938.00	2,32,921.00	0.00	8,22,859.00	85,388.00	46,558.00	0.00	1,31,946.00	6,90,913.00	5,04,550.00

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR)

	As at March 31, 2016	As at March 31, 2015
Note 11		
Long Term Loans and Advances		
(a) Security Deposits		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Total	-	-
Note		
Other Non Current Assets		
MISC EXPS	110,455	-
Preliminary Expenses	-	-
Total	110,455	-
Note 12		
Inventory		
Stock in Trade	30,412,101	32,403,518
Total	30,412,101	32,403,518
Note 13		
Trade Receivables		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Total	-	-
Less : Provision for doubtful debts	-	-
Total	-	-
(b) Other Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	16,133,498	3,427,545
Doubtful	-	-
Total	16,133,498	3,427,545
Less : Provision for doubtful debts	-	-
Total	16,133,498	3,427,545
Note 14		
Cash and cash equivalents		
Cash on hand	11,430	6,824
Balance with banks		
(a) Current accounts	1,673,970	14,130
(b) Deposit accounts	-	-
Total	1,685,400	20,954
Note 15		
Short-term loans and advances		
(a) Loans & Advances	41,392	60,884
(b) Prepaid Expenses	-	-
(c) Advances to Suppliers		
Unsecured, considered good	-	-
(d) Balance with government authorities		
(i) VAT paid in	-	114,653
(ii) Advance Income	-	-
Total	41,392	175,537
Note 16		
Other Current Assets		
(a) Accruals		
Interest accrued on deposits	-	-
(b) Advances recoverable	-	-
Total	-	-

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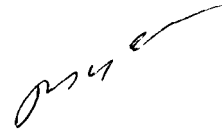
BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Notes forming part of the financial statements

	(Amount in INR)	
	As at March 31, 2016	As at March 31, 2015
Note 17		
Revenue from Operations		
(a) Sale of Products	192,960,414	183,955,935
Less: Discount Allowed	-	-
	<u>192,960,414</u>	<u>183,955,935</u>
Total	192,960,414	183,955,935
Note 18		
Other Income		
Interest Income	-	-
Scheme Discount	-	-
Profit/(Loss) on Foreign Exchange	-	-
Other Income	12	105,256
Total	12	105,256

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Notes forming part of the financial statements

(Amount in INR)

	As at March 31, 2016	As at March 31, 2015
Note 19		
Purchase of Stock in Trade	-	-
Purchase of Products	185,719,247	186,291,360
Direct expenses	-	1,981,667
	<u>185,719,247</u>	<u>188,273,027</u>
Less : Rebate and Discount	-	-
Total	185,719,247	188,273,027

Note 20
Changes in inventory of finished goods

Inventory at the end of the year		
Finished goods	30,412,101	32,403,515
Inventory at the beginning of the year		
Finished goods	32,403,515	24,829,850
Total	(1,991,414)	7,573,665

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED**Notes forming part of the financial statements**

(Amount in INR)

	As at March 31, 2016	As at March 31, 2015
Note 21		
Employee Benefits Expense		
Director Remuneration	2,314,116	1,210,000
Salaries and wages	1,503,640	765,950
Director Mobile/Telephone Expenses	-	-
Director Electricity Expenses	-	-
Staff Welfare Expenses	-	-
Total	3,817,756	1,975,950

Note 22
Administrative & Other Expenses

Audit fees	36,000	30,000
Accounting Fees	48,000	94,000
Bank charges Expenses	60,747	19,167
Conveyance Expenses	90,620	-
INCOME TAX	109,515	-
Exebition Expenses	350,460	354,841
Insurance	56,587	75,126
Office expenses	19,218	37,572
CARRIER AIRCONDITINING	19,960	-
Telephone	32,395	21,382
VAT Audit fee	-	35,000
Electricity Expenses	107,810	89,603
Discount	-	66
Kssar & Round off	-	153
ROC EXPS	27,614	-
Rent Exps	-	120,000
MEMBERSHIP EXPS	3,900	-
MUNICIPAL TAX	55,052	-
Total	1,017,878	876,910

Note 23
Finance Cost

Interest	245,019	229,110
Bank Charges	-	-
Total	245,019	229,110

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

Cash Flow Statement

Particulars	2015-2016
Cash flows from operating activities	
Profit After taxation (After Set off of Loss of Prior Years)	122554
Adjustments for:	
Depreciation	46558
Preliminary Exps Set off	(110455)
Interest expense	245019
Profit / (Loss) on the sale of property, plant & equipment	-
Working capital changes:	
(Increase) / Decrease in trade and other receivables	(12705953)
(Increase) / (Decrease) in inventories	1991417
(Increase) / Decrease in Loans & Advances	134145
Increase / (Decrease) in Trade Payables	3239777
Increase / (Decrease) in Other Current Liabilities	45473
Increase / (Decrease) in Other Current Assets	0
Deferre Tax Assets	0
Cash generated from operations	(6991465)
Income taxes paid	-
Dividends paid	-
Net cash from operating activities	A (6991465)
Cash flows from investing activities	
Purchase of property, plant and equipment	(232916)
Proceeds from sale of equipment	-
Acquisition of portfolio investments	0
Investment income	-
Net cash used in investing activities	B (232916)
Cash flows from financing activities	
Proceeds from issue of share capital	15599995
Changes from long-term borrowings	(6466149)
Changes from short-term borrowings	0
Interest on capital borrowed	(245019)
Net cash used in financing activities	C 888827
Net increase in cash and cash equivalents (A+B+C)	D 1664446
Cash and cash equivalents at beginning of period	E 20954
Cash and cash equivalents at end of period	(D+E) 1685400

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cash in hand

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BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED

UNSECURED LOANS

PARTICULARS	AMOUNT
UNSECURED LOANS	
AKSHAY S MEHTA LON A/C	1,43,64,993.00
VARSHABEN A. MEHTA	15,20,000.00
VINODCHANDRA M SHAH	4,00,000.00
TOTAL	1,62,84,993.00

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BHAKTI GEMS AND JEWELLERY LIMITED

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31.03.2016

NOTE – 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

(b) Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

(c) Revenue Recognition :

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.

(d) Fixed Assets :

Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss if any. Historical cost comprises the purchase price and all direct costs attributable to bringing the asset to its working condition for intended use.

(e) Depreciation :

Depreciation is calculated on the fixed assets on the basis of Written Down Value (WDV) method as per Companies Act, 2013.

BHAKTI GEMS AND JEWELLERY LIMITED

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31.03.2016

(f) Taxes on Income :

- A). Tax expense comprise of current and deferred taxes.
- B). Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Indian Income Tax, 1961.
- C). Deferred tax resulting from “timing difference” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

(g) Impairment of assets:

The Company verified & analyze the fixed assets during the period and checks whether there are any internal or external indications that confirm the recoverable amount of the assets is lesser than the book value. If such indications exist, the company accounts for impairment loss as the difference between the book value amount and the recoverable amount.

The Company reviews at each reporting date whether the impairment losses recognized can be reversed. Impairment losses recognized previously are written back only if the conditions have improved. Impairment losses are reversed to the extent of the depreciable amount of the assets had no impairment been provided.

(h) Provision, Contingent liabilities and contingent assets:

The Company recognizes provisions for all present obligations for which the company has no other realistic alternative that can be measured reliably and it is certain there will be an outflow of resources embodying economic benefits on settlement of such obligation.

The Company reviews all contingent liabilities continually to see whether the possible obligation has become present obligation or the present obligation can be measured reliably. If it is so, the company recognizes provisions for the same, if the possibility of the obligation is remote, no contingent liability is disclosed. The company does not recognize any contingent assets.

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NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31.03.2016

NOTE – 22: NOTES TO ACCOUNTS

- (a) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (b) Fixed Assets are stated at historical cost less accumulated depreciation and impairment loss if any. Historical cost comprises the purchase price and all direct costs attributable to bringing the asset to its working condition for intended use.
- (c) Balances of debtors, creditors, unsecured loans, loans & advances, deposits are subject to the confirmation by the parties.
- (d) In the opinion of the board, the current assets, loans and advances are approximately of the value stated if realized in ordinary course of business.
- (e) Remittance in foreign currency on account of dividend Rs. Nil.
- (f) Earning of foreign Exchange on account of exports etc. Rs. Nil.
- (g) Miscellaneous expenditure: Expenditure incurred on increased authorized capital and issuing fresh capital is being amortized over a period of five years.

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NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31.03.2016

(h) Related Party Information

Disclosure in respect of related parties (as defined in Accounting Standard 18) with whom transaction have taken place during the Period are given below.

(1) Relationship

1. Key Management Personnel

- 01. Akshaybhai Mehta
- 02. Varshaben Mehta

(2) Transaction with Related parties:

Particulars	Related Parties	
	Ref. to 1	Ref. to 2
Expenses		
1. Remuneration	13,54,116/-	9,60,000/-

- (i) As on 31st March, 2016 the company had Deferred tax Assets/ Deferred Tax liabilities is not material amount and there was no impact of the same in the books of accounts, hence no provision is made.