

17 TH ANNUAL REPORT

OF

SHUKRA BULLIONS LTD.

FOR THE YEAR ENDING 31.03.2011

1. BOARD OF DIRECTORS

MR. CHANDRAKANT H SHAH
MRS. MAYURI C. SHAH
MR. JAYENDRA H SHAH
MR. ANIL M. PATEL
MR. VINOD N SHAH
MR. NASIR UL HAQ

2. REGISTERED OFFICE

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

BOMBAY OFFICE :-

232, PANCHARATNA,
OPERA HOUSE
MUMBAI - 400004

FACTORY :-

UNIT NO 158, PLOT NO 158-D
SURAT SPECIAL ECONOMIC ZONE
SACHIN, SURAT-GUJRAT

3. BANKERS :-

- 1) ORIENTAL BANK OF COMMERCE
- 2) ICICI BANK LTD.

4. CONTANTS

- :- NOTICE
- :- DIRECTORS REPORTS
- :- MANAGEMENT DISCUSSION & ANALYSIS REPORT
- :- CORPORATE GOVERNANCE REPORT
- :- AUDITORS REPORT
- :- BALANCE SHEET
- :- PROFIT & LOSS ACCOUNT
- :- SCHEDULES

NOTICE :-

Notice is hereby given that the 17th Annual General Meeting of the Members of Shukra Bullions Ltd. Will be held on Thursday 29th day September ,2011 at 3:30 P.M. at Regd. Office of the Company at Chirag Industrial Complex. Somnath Road, Daman to transact the following business:-

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31 st march 2011, the profit & loss account of for the year ended on that date and the reports of the Directors and Auditor's thereon.
2. To appoint a Director in place of Chandrakant H. Shah, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. HOWEVER PROXY FORMS MUST BE DEPOSITD AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOUR BEFORE COMMENCEMENT OF THE MEETING.
2. The Register of the Members and Share Transfer Books of the Company will remain closed from 25 th Sep.,2011 to 29th of the September 2011 (Both day inclusive).
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 THIS ANNUAL REPORT TO THE MEETING.

Registered Office :-

Chirag Industrial Estate,
Somnath Road,
Daman U. T.

By the order of the Board

Chandrakant H Shah
Chairman & Managing Director

Date:- 07.08.2011

DIRECTORS' REPORT

To

The Members

Your Directors take great pleasure in presenting the 17TH Annual Report of the Company together with Audited Accounts for the year ended on March 31, 2011.

(Rs. IN LAKHS)		
<u>PARTICULARS</u>	<u>31.03.2011</u> (AUDITED)	<u>31.03.2010</u> (AUDITED)
Profit Before Depreciation tax	5.36	8.75
Depreciation	4.37	5.12
Provision for Taxation and Deferred Tax Liabilites	0.93	0.57
Profit After Tax	0.06	3.06

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 year under review, the Company has achieved turnover of Rs. 2.48 Cr compared to Rs. 2.49 Cr previous year.

CURRENT YEAR OUT LOOK

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

DIVIDEND

The Board has not recommended any dividend due to insufficient profit.

DIRECTORS

In accordance with the provision of the Companies Act, 1956 Chandrakant H..Shah director, retires by rotation and being eligible offers him for reappointment.

AUDITORS

The Auditor's of the Company M/S A D Lalwani & Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting.

FIXED DEPOSITS

Your company has not accepted any fixed deposits within the meaning of section 58A from the public under the companies Act, 1956 and the rules made thereunder.

AUDITOR'S REPORT

Observations 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 were in excess of the limits prescribed under section 217(2A) of the companies Act, 1956. Hence no particulars are given .

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

The information pursuant to section 217 (i) (a) of the companies Act, 1956 read with the companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given below :

1. The Company's operation involve very low energy consumption, wherever possible measures have already been implemented. The measure set out above do not have any significant impact on the overall cost of the production.
2. No technology has been imported during the year.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217 (2AA) of the Companies Act, 1956, with respect to the Director's Responsibility Statement, it is hereby confirmed :

- i) That in the presentation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards has been followed along with proper explanations relating to material departures :
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) That the directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the accounts for the financial year ended 31st March 2011 on a going concern basis.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their warm appreciation and acknowledge with gratitude the assistance, co-operation and support extended to your Company by bankers, clients, employees as well as the investing community and look forward to their continued support.

Registered Office:

By order of the Board

**Chirag Industrial Estate
Somnath Road,
Daman - U. T.
Date :- 07.08.2011**

**Chandrakant H Shah
Chairman & Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS

GEM & 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.

The Indian gems and jewellery industry is one of the fastest growing segments in the Indian economy with an annual growth rate of approximately 15%.

Research indicates that the rural jewellery market in India is set to grow strongly despite the global economic meltdown. Overall sales of jewellery dominated by the plain gold variety in India through 2008 rose by 23 percent over 2007 to Rs. 86000 crores (US\$ 17.6 billion) and rural areas accounted for Rs. 52000 crores (US\$ 10.64 billion). Last year rural areas witnessed a 24 percent growth in gold jewellery sales in terms of value.

The reasons attributed for the growth are (1) The majority of working women in rural India do not invest in stocks and shares or 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 words, nearly 9 out of 10 diamonds sold world wide are cut and polished in India. India exported cut and polished diamonds worth US\$ 13.02 billion in 2008-09.

INDUSTRY OUTLOOK – OPPORTUNITIES & THREAT

What started off as a sub-prime crisis in the US housing mortgage sector has turned successively into a global banking crisis, global financial crisis and global economic crisis resulting in the Great Recession of 2009-2010.

The industry has undergone challenging times in the fiscal year 2009-10. The US slowdown in the second half of 2010 affected the industry greatly and the gem and jewellery sector witnessed a decrease in exports in the last two quarters of the year. In spite of slow down in the second half the industry achieved flat growth and performed reasonably close to its target of US\$ 21.9 billion.

Company Overview

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

Shukra Bullions Limited is a growing company in Diamond & Jewellery. The chief promoter of the company is Shri Chandrakant H Shah having experience of more than 25 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) during the financial year and successfully executed export orders.

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

FINANCIAL ANALYSIS

Income

The Company has recorded a Total Income of 24.802 Million (Previous year Rs. 24.952 Million) for the year ended March 31, 2011 primarily due to income from sale of gems & jewellery items. The Company also received other income of Rs. Nil (Previous year Rs. 0.06 Million) from dividends.

Expenditure

The Company has recorded a total expenditure (excluding depreciation) 24.265 Million (Previous year Rs. 24.141 Million) for the year ended March 31, 2011.

- ☐ Cost of goods Sold 23.017 Million (Previous year Rs. 23.627 Million).
- ☐ The Company also recorded other expenditure of Rs. 1.25 Million (Previous year Rs. 0.51 Million). This is on account of administrative expenses and selling and administrative expenses.

Depreciation & amortization

For the year ended March 31, 2011 the Company has incurred depreciation charges of Rs. 0.44 Million (Previous year Rs. 0.51 Million).

Different Tax Liability

The differed Tax Liability for the 0.04 Million (Previous Year Rs. 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. 0.01 Million (Previous year Rs. 0.36 Million) for the year ended 31st March 2011.

TAXES

The Provision for taxes for the year 0.06 (Previous Year Nil Million).

NET PROFIT

The Company has recorded Net Profit 0.06 Million (Previous year Rs. 0.31 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 2011 the issued subscribed and paid up capital was Rs. 5.015 Million divided in to 5015300 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 March 2011

Chandrakant H Shah
Chairman & Managing Director
Date 07.08.2011