

STS Jewels Inc USA**Balance Sheet as at 31st Mar, 2016**

Amt in USD

	<u>Note</u>	<u>As at 31st Mar, 2016 \$</u>	<u>As at 31st March, 2015 \$</u>
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	500,000	500,000
Reserves And Surplus	3	1,064,755	389,646
Money received against share warrants		-	-
		<u>1,564,755</u>	<u>889,646</u>
Share application money pending allotment		-	-
Non-Current Liabilities			
Long Term Liabilities	4	<u>730,000</u>	<u>730,000</u>
		730,000	730,000
Current Liabilities			
Trade Payables	5	5,419,047	3,185,110
Other Current Liabilities	6	<u>504,154</u>	<u>496,269</u>
		5,923,201	3,681,378
Total		<u>8,217,955</u>	<u>5,301,024</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets		19,191	21,170
Capital Work-In-Progress		-	-
		<u>19,191</u>	<u>21,170</u>
Current Assets			
Current Investments		-	-
Inventories	7	3,323,173	2,486,751
Trade Receivables	8	4,723,548	2,696,518
Cash and Bank Balances	9	110,512	48,031
Short-Term Loans and Advances	10	<u>41,532</u>	<u>48,554</u>
		8,198,765	5,279,854
Total		<u>8,217,956</u>	<u>5,301,025</u>

Significant Accounting Policies & Notes to Accounts referred to above form an integral part of financial statements **2 to 17**

For **NWK CPA, PLLC**
Austin, Texas

For and on behalf of the Board

Neerja Kwatra
Certified Public Accountant

Director

April 29th, 2016

Place: Austin, Texas
Date: April 29th, 2016

STS Jewels Inc USA**Statement of Profit & Loss for the year quarter 31st March, 2016**

Amt in USD

	<u>Note No.</u>	<u>Year ended 31st Mar, 2016</u> \$	<u>Year ended 31st March, 2015</u> \$
REVENUE			
Revenue From Operations	11	15,766,524	12,495,675
Other Income	12	22,236	2,005
Total		15,788,760	12,497,680
EXPENSES			
Purchases of Stock-In-Trade	13	13,350,226	10,276,192
Changes in Stock-In-Trade	14	(836,422)	(269,286)
Employee Benefits Expense	15	933,391	707,789
Finance Costs	16	4,392	4,617
Depreciation and Amortization Expense		8,114	7,301
Other Expenses	17	1,646,784	1,320,783
Total		15,106,484	12,047,397
Profit Before Exceptional Items and Tax		682,276	450,284
Exceptional Items (refer Note No. 33)		-	-
Profit Before Tax		682,276	450,284
Tax Expense:			
(1) Current Tax		7,167	-
(2) Deferred Tax Charges/(Credits)		-	-
		7,167	-
Profit for the Year		675,109	450,284

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Certified Public Accountant

Director

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STS Jewels Inc USA
Notes Accompanying to the financial statement for the quarter ended March 31, 2016

Amt in USD

Note No.

2 Share Capital

- a The details of Authorised, Issued, Subscribed and paid up capital are as under :-

	As at 31st Mar, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
Share Capital				
Authorised				
500 Equity Shares of 1000 USD each		500,000		500,000
Issued, Subscribed and Paid up				
500 Equity Shares of 1000 USD each		500,000		500,000
		-		-
		<u>500,000</u>		<u>500,000</u>

3 Reserves & Surplus

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
A. Securities Premium Account :				
Opening Balance	2,490,357		2,490,357	
Add: Security premium credited on share issue	-		-	
	2,490,357		2,490,357	
Less: Premium utilised for various reasons	-		-	
		2,490,357		2,490,357
B. Surplus/ (Deficit)				
Opening balance	(2,100,711)		(2,550,995)	
Add: During the year	675,109		450,284	
Net Profit for the current year	(1,425,602)		(2,100,711)	
Surplus/ (Deficit)		(1,425,602)		(2,100,711)
		<u>1,064,755</u>		<u>389,646</u>

NON CURRENT LIABILITIES
4 Long Term Borrowings

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
From Related parties				
	730,000		730,000	
	<u>730,000</u>		<u>730,000</u>	

5 Trade Payables

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
Trade Payables	5,419,047		3,185,110	
	<u>5,419,047</u>		<u>3,185,110</u>	

6 Other Current Liabilities

- a. Other Current Liabilities consists of following :-

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
Statutory Dues(including PF,TDS etc.)		71,184		36,245
Other Liabilities		62,669		36,310
Accrued Expenses		370,301		423,714
		<u>504,154</u>		<u>496,269</u>

CURRENT ASSETS
7 INVENTORIES

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
Closing Stock	3,323,173		2,486,751	
	<u>3,323,173</u>		<u>2,486,751</u>	

8 **TRADE RECEIVABLES**

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
3rd Party	3,218,173		1,905,878	
Inter Company	1,505,375		790,640	
	4,723,548		2,696,518	
Less : Provision for Doubtful Debts brought forward			-	
Less : Provision appropriated to Investment			-	
	4,723,548		2,696,518	
	<u>4,723,548</u>		<u>2,696,518</u>	

9 **CASH AND BANK BALANCES**

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
Cash & Cash Equivalents				
Balance with Banks	109,386		42,635	
Cash on hand	1,126		5,396	
	110,512		48,031	
Other Bank Balance				
Bank Deposits (Pledged)	-		-	
	<u>110,512</u>		<u>48,031</u>	

10 **SHORT TERM LOANS AND ADVANCES**

(Unsecured and considered good unless otherwise stated)

	As at 31st Mar, 2016		As at 31st March, 2015	
	\$	\$	\$	\$
Advance to Staff	-		-	
Prepaid Expenses	40,216		46,400	
Balance with Tax authorities	-		838	
Security Deposits	1,316		1,316	
	<u>41,532</u>		<u>48,554</u>	

11 **REVENUE FROM OPERATIONS**

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	\$	\$	\$	\$
Sale of Products:				
Export Sales	5,589,919		4,173,923	
Domestic Sales	10,176,605	15,766,524	8,321,752	12,495,675
Other Operating revenue		-		-
	<u>15,766,524</u>		<u>12,495,675</u>	

12 **OTHER INCOME**

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	\$	\$	\$	\$
Interest	-		-	
Misc. Income	22,236		2,005	
	<u>22,236</u>		<u>2,005</u>	

13 **PURCHASES OF STOCK-IN-TRADE**

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	\$	\$	\$	\$
Purchases of Finished Goods	13,350,226		10,276,192	
	<u>13,350,226</u>		<u>10,276,192</u>	

14 **CHANGES IN STOCK-IN-TRADE**

Decrease/(Increase) of Stock-in-Trade consists of

	Year ended 31st Mar, 2016		Year ended 31st March, 2015	
	\$	\$	\$	\$
Finished Goods:				
Opening Stocks				
Semi Finished Goods	-		-	
Finished Goods	2,486,751		2,217,465	
	2,486,751		2,217,465	
Less: Closing Stocks				
Semi Finished Goods	-		-	
Finished Goods	3,323,173		2,486,751	
	3,323,173	(836,422)	2,486,751	(269,286)
	<u>(836,422)</u>		<u>(269,286)</u>	

15 **EMPLOYEES BENEFIT EXPENSE**

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	\$	\$
Salaries, Wages, Bonus etc.	689,553	534,948
Contributions to Provident and Other Funds	243,837	172,841
	<u>933,391</u>	<u>707,789</u>

16 **FINANCE COST**

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	\$	\$
Finance Charges	4,392	4,617
	<u>4,392</u>	<u>4,617</u>

17 **OTHER EXPENSES**a. **MANUFACTURING EXPENSES**

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	\$	\$
Cost of Samples	277,972	266,668
Freight, Taxes and Duties	479,589	383,175
	<u>757,561</u>	<u>649,843</u>

b. **ADMINISTRATIVE & SELLING EXPENSES**

	Year ended 31st Mar, 2016	Year ended 31st March, 2015
	\$	\$
Rent, Rates and Taxes	47,416	75,607
Insurance	32,053	15,275
Travelling and Conveyance	73,228	34,790
Legal and Professional	25,461	21,942
Postage and Telephone and Utility	9,500	7,978
Advertisement and Business Promotion	533,204	333,115
Packing and Forwarding	50,649	69,739
Misc. Expenses	117,711	112,493
	<u>889,223</u>	<u>670,940</u>
Total Other Expenses	<u>1,646,784</u>	<u>1,320,783</u>

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