

# **SHUBHLAXMI JEWEL ART LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31st MARCH 2019**

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## CORPORATE INFORMATION

**Board Committees****Audit Committee**

Bhadreshkumar Dave (Chairman)  
Narendrasinh Jesingbhai Chauhan  
Ramkrushn bhai Jashvantray Champaneri  
Rakesh Soni

**Nomination and Remuneration Committee**

Bhadreshkumar Rameshchandra Dave (Chairman)  
Snehalben J Jani  
Rakeshkumar Mahendrabhai Soni

**Stakeholder Relationship Committee**

Bhadreshkumar Rameshchandra Dave (Chairman)  
Jitendrakumar Jesingbhai Chauhan  
Ramkrushnbhai Jashvantray Champaneri  
Snehalben Jani

**Registrar & Transfer Agents**

Link Intime India Private Limited  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai- 400 083, India  
**Tel:** 022-49186200; **Fax:** 022-49186195;  
**Email:** shubhlaxmi.ipo@linkintime.co.in  
**Website:** www.linkintime.co.in

Website: [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in)

Corporate Identity Number: L74999GJ2018PLC102121

ISIN (EQUITY SHARE): INE01Z401013

NSE SYMBOL: SHUBHLAXMI

**Board of Directors**

Narendrasinh Jesingbhai Chauhan  
Chairman and Managing Director

Jitendrakumar Jesingbhai Chauhan  
Wholetime Director

Kajal Jitendrakumar Chauhan  
Executive Director

Jagrutiben Narendrasinh Chauhan  
Executive Director

Bhadreshkumar Rameshchandra Dave  
Independent Director

Ramkrushn Bhai Jashvantray Champaneri  
Independent Director

Snehalben J Jani  
Independent Director

Rakeshkumar Mahendrabhai Soni  
Independent Director

Ranjitsinh Gambhirsinh Solanki  
Chief Financial Officer

Binal Harishbhai Kothari  
Company Secretary & Compliance Officer

**Auditors**

M/s. SANGHAVI & CO.  
"BULBUL", First Floor,  
Crescent Road, Bhavnagar - 364001,  
Gujarat, India

Regd Office: Shop no. 1, Ground Floor, "D & I Excelus", Waghawadi road, Bhavnagar –  
364002, Gujarat, India

## NOTICE

NOTICE is hereby given that the FIRST (1<sup>ST</sup>) ANNUAL GENERAL MEETING of SHUBHLAXMI JEWEL ART LIMITED, CIN: L74999GJ2018PLC102121, will be held at the registered office of the Company situated at Shop No. 1, Ground Floor, "D & I Excelus", Waghawadi Road, Bhavnagar-364002, Gujarat, India on Thursday, September 26, 2019 at 01.30 P.M. to transact the following business;

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### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2019, together with the Report of the Board of Directors and Auditors thereon.
2. **Appointment of Statutory Auditors of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar (Firm Registration No. 109099W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 06th Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee."

### SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification (s), the following resolutions as an SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company be and are hereby amended by insertion of a new clause for the right to renounce dividend by Promoter of the Company."

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take all such steps and actions for the purpose of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts and deeds, matters and things as may be deemed necessary to give effect to this resolution.”

Date: 02<sup>nd</sup> September, 2019

Place: Bhavnagar

By Orders of the Board of Directors

For Shubhlaxmi Jewel Art Limited

Sd/-

CS Binal Kothari

Company Secretary & Compliance Officer

ACS 42148

Registered Office:

CIN: L74999GJ2018PLC102121

Shop No. 1, Ground Floor, “D & I Excelus”,

Waghawadi Road, Bhavnagar-364002,

Gujarat, India

**Notes:**

1. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company.**

A person can act as proxy on behalf of members not exceeding Fifty [50] and holding in the aggregate not more than 10% of total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less the FORTY-EIGHT HOURS [48 hours] before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions /authority, as applicable.

2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013, which sets out details relating to special business at the meeting, is annexed hereto.
3. The company has notified closure of Register of Members and Share Transfer Books from Friday, 20<sup>th</sup> September, 2019 to Thursday, 26<sup>th</sup> September, 2019 (both days inclusive) for the purpose of the Annual General Meeting.
4. The Management Discussion and Analysis Report attached with the Directors Report also form part of this Annual Report.
5. Corporate Members intending to send their authorised representative to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
6. Members, Proxies and Authorised Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM. To ensure correct identity of each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Aadhar Card, Driving License, Passport, Voter ID card, etc.
7. To support the 'Green Initiative', members who have not yet registered their email address are requested to register the same with their Depository Participants ["DPs"].
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates,

nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs or RTAs.

9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to the accounts are requested to write to the Company at an early date i.e. at least 10 days before the annual general meeting, so as to enable the Management to keep the information ready at the AGM.
11. This Notice along with Annual Report 2018-19 is being sent to all the Members of the Company, whose name appears in the Register of Members/List of Beneficiaries received from the depositories on the end of August 23, 2019.
12. Electronic copy of the Annual report for the year 2018-19 is being sent to the Shareholders whose email IDs are registered with the Share Transfer Agent of the Company / Depository Participants unless any Shareholder has requested for a hard copy of the same. For Shareholders who have not registered their email address, physical copies of the Annual reports are being sent in the permitted mode.
13. The Board has considered appointment of M/s. Park & Co., Chartered Accountants (FRN: 116825W) Bhavnagar as an Internal Auditor of the Company for the Financial year 2019-20.
14. Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Depositories/RTA, unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in)
15. Members may pursuant to section 72 of the Companies Act, 2013 read with Rule 19 of the companies (Share Capital and Debentures) Rules, 2014 file nomination in prescribed form SH- 13 with the respective depository participant.
16. Relevant documents referred to in the accompanying Notice are open for inspection by the Shareholders at the Registered Office of the company on all working days.
17. The Register of Directors, Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 will be available for inspection by the Shareholders at the Annual General Meeting.
18. The route map showing directions to reach the venue of the 1<sup>st</sup> AGM is annexed.



19. The Board of Directors has appointed Mr. Parth M Nair [Membership no. ACS 46802] proprietor of Parth Nair & Associates, Practicing Company Secretaries as a Scrutinizer to scrutinize the voting at the AGM in a fair and transparent manner.
20. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the share of the Company is listed.
21. The Register of Contracts or Arrangements, in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 and will be available for inspection by the Shareholders at Annual General Meeting.
22. SEBI has also mandated that for registration of transfer of securities the transferee(s) as well as the transferor(s) shall furnish a copy of their PAN to the Share Transfer Agent for registration of transfer of securities.
23. Shareholders may also note that the Notice of 23rd Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year 2018-19 will also be available on the website of Company [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in) for the download.
24. As the Company is listed on SME Exchange [Company covered under Chapter X B of SEBI (Issue of Capital Disclosure Requirements) Regulations, 2009] pursuant to Rule 20 of the Companies (Management and Administration) Rules, it is not required to provide remote e-voting facility to its Shareholders.

Date: 02<sup>nd</sup> September, 2019

Place: Bhavnagar

By Orders of the Board of Directors  
For Shubhlaxmi Jewel Art Limited

Sd/-

CS Binal Kothari  
Company Secretary & Compliance Officer  
ACS 42148

Registered Office:

CIN: L74999GJ2018PLC102121

Shop No. 1, Ground Floor, "D & I Excelus",  
Waghawadi Road, Bhavnagar-364002,  
Gujarat, India

**ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE  
COMPANIES ACT, 2013**

The following is the Explanatory Statement as required by Section 102 of the Companies Act, 2013, sets out all material facts relating to Special Business mentioned in the accompanying Notice for convening the Annual General Meeting of the members of the Company:

**Item No. 1:**

The Company, Shubhlaxmi Jewel Art Limited, has proposed to alter its Articles of Association by inserting a new clause in the existing Articles of Association of the Company for the right to renounce the dividend by the promoter of the Company which requires approval of Shareholders by way of Special Resolution. Accordingly, this matter has been placed before the Shareholders for approval. The Board therefore, submits the resolution for your consideration and recommends it to be passed as a Special Resolution. A copy of the existing as well as new Articles of Association of the Company is available for inspection at the Registered Office of the Company during working hours on any working day.

None of Directors/Key Managerial Personnel or their relatives are in a way interested or concerned in the resolution.

Date: 02<sup>nd</sup> September, 2019

Place: Bhavnagar

By Orders of the Board of Directors  
For Shubhlaxmi Jewel Art Limited  
Sd/-

CS Binal Kothari  
Company Secretary & Compliance Officer  
ACS 42148

Registered Office:

CIN: L74999GJ2018PLC102121

Shop No. 1, Ground Floor, "D & I Excelus",

Waghawadi Road, Bhavnagar-364002,

Gujarat, India

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 01<sup>st</sup> Board's Report of Shubhlaxmi Jewel Art Limited along with the Audited Financial Statements for the year ended on March 31, 2019.

### 1. FINANCIAL RESULTS:

The financial performance of your Company for the Financial Year ended on March 31, 2019 is given below:

(Amount in Indian Rupees)

<b>The brief financial results are as under</b>	<b>F Y 2018-19</b>
Revenue from operations	51,51,26,733
ADD: Other Income	57,476
Total Revenue (A)	51,51,84,209
<b>EXPENSES</b>	
Employee benefit expenses	77,14,860
Finance Cost	75,09,996
Depreciation	33,36,014
Other Expenses	1,94,26,913
TOTAL EXPENSES (B)	50,16,19,460
Profit before Tax (A)-(B)	1,35,64,749
LESS: TAX EXPENSES	35,25,000
Profit after tax	1,00,39,749
Earnings Per Share	1.50

### 2. FINANCIAL HIGHLIGHTS AND STATE OF AFFAIRS OF THE COMPANY:

Your Company has reported total Income of Rs. 51,51,84,209/- for the Financial Year ended March 31, 2019 and the net profit after tax for the year under review amounted to Rs. 1,00,39,749/- in the current year.

### 3. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no changes in the nature of business of your Company during the year under review.

**4. EXTRACT OF ANNUAL RETURN:**

The details forming part of 'Extract of Annual Return' in Form MGT-9, as required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is included in this report as Annexure-A and forms an integral part of this report.

**5. BOARD MEETINGS AND ATTENDANCE:**

The Directors of your Company met at regular intervals with the gap between two meetings not exceeding 120 days to review Company's policies and strategies apart from the Board matters. The notices of the meeting were given in advance. Additional meetings were held on the basis of the requirements of the Company. Proper quorum was present in each meeting as per the Company's Act requirement.

**6. DIRECTORS RESPONSIBILITY STATEMENT:**

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

- a) In the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures for the same;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profits of the Company for the year ended on that date.
- c) Directors have taken proper and sufficient care 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) Directors have prepared the annual accounts on a going concern basis.
- e) Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**7. DIVIDEND:**

In order to conserve the resources of the Company, your Directors do not declare any dividend for the financial year 2018-2019.

**8. INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY:**

Your Company has its internal financial control systems commensurate with the size of its operations, the management regularly monitors the safeguarding of its assets, prevention and detection of frauds and errors, and the accuracy and completeness of the accounting records including optimal utilization of resources, reliability of its financial information and compliance and timely preparation of reliable financial information.

Internal Audit Reports and significant audit observations are brought to the attention of the Audit Committee of the Company. The internal controls existing in the Company are considered to be adequate vis-a-vis the business requirements. Your Company ensures adequacy, commensurate with its current size and business, to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of laws and regulations. It is supported by the internal audit process and will be enlarged to be adequate with the growth in the business activity

For more details on internal financial control system and their adequacy kindly refer Management Discussion and Analysis Report.

**9. TRANSFER TO RESERVE:**

During the year under review, Rs. 1,00,39,749/- was transferred to Surplus.

**10. DEPOSITS:**

Your Company has not accepted any deposits from the public falling within the purview of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposit) Rules, 2014; therefore, there was no principal or interest outstanding as on the date of the balance sheet.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

During the year under review, your Company did not invest its fund, grant any loan or provide any guarantee as per the provisions of Section 186 of the Companies Act, 2013 and rules made thereunder.

**12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

**13. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY/IES:**

Disclosures related to Subsidiary, Associate & Joint Venture Company for Financial Year 2018-19:

- Company does not have any Subsidiary and Joint Venture Company.
- The Associates of the Company are M/s. Jesingbhai Jewellers.
- There was no Company which have become or ceased to be Subsidiary, Associate, JVs Company during the year.
- Performance & financial position of the Subsidiary and Joint Venture company/ies are not to be given because such Companies are not existing.

**14. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

Material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these Financial Statements relate and on the date of this report are as follows:

**A. Material Changes during the Financial Year 2018-19**

**Conversion:** The Company was incorporated under the Companies Act, 2013 on May 02<sup>nd</sup>, 2018 by conversion of a partnership firm, M/s. Shubhlaxmi Jewellers and consequently, all the assets and the liabilities of the firm were transferred to the Company.

**Initial Public Offer:** An Initial Public Offer of 25,04,000 Equity Shares of Rs.10/- each at an issue price of Rs. 26/- per share was made. The Company's equity shares were listed on SME Platform of National Stock Exchange of India Limited (NSE Emerge) with effect from December 04, 2018. The IPO was over-subscribed by 4 times. Initial and Annual Listing fees has been duly paid by the Company to the Exchange.

**15. AUDITORS****STATUTORY AUDITORS:**

The Company appointed M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar as Statutory Auditors of the Company on incorporation of the Company till the conclusion of the 1<sup>st</sup> Annual General Meeting.

Being eligible, and on receiving their consent, the appointment of M/s Sanghavi & Co, Chartered Accountants as statutory auditors for the period of 5 years from the conclusion of 1st Annual General Meeting till the conclusion of 06<sup>th</sup> Annual General Meeting is placed for approval of the shareholders by way of passing special resolution.

In this regard, the Company has received a certificate from the auditors to the effect that if their appointment is approved, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**SECRETARIAL AUDITOR**

Your Company had appointed M/s Parth Nair & Associates, Ahmedabad as Secretarial Auditor for the Financial Year ended March 31, 2019 in accordance to the provisions of Section 204 of Companies Act, 2013 read with rules framed thereunder. The Secretarial Audit Report in the Form MR-3 issued by the Secretarial Auditor forms part of this Report as Annexure – B.

**INTERNAL AUDITOR**

In accordance to the provisions of Section 138 of the Companies Act, 2013 your Company has appointed M/s Park & Co., Chartered Accountants, Bhavnagar as the Internal Auditors for the Financial Year 2019-20.

**BOARD'S RESPONSE ON AUDITOR'S QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE:**

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors or Secretarial Auditors in their reports for the year ended 31<sup>st</sup> March 2019.

During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

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

The provision relating to Section 134(3)(m) read with rule 8 of the Companies (Accounts) Rules, 2014 of the Companies Act, 2013 relating to conservation of energy and technology absorption, earnings and outgo in foreign exchange during the financial year 2018-19 has been stated as under:

- A. Conservation of energy-
  - i. the steps taken or impact on conservation of energy- Your Company applies stringent control systems to monitor day to day power consumption. It ensures optimal usage of energy and mitigates wastage to the extent possible.
  - ii. the steps taken by the company for utilising alternate sources of energy – NIL
  - iii. the capital investment on energy conservation equipment - NIL
- B. Technology absorption-Your Company has no activities relating to technology absorption. Hence, nothing is reported here.
- C. Foreign exchange earnings and Outgo: NIL

**17. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

There were no Changes in the Board of Directors of the Company after the listing of the Company. The Board has been properly constituted as per the requirements of Companies Act, 2013 and the Board of Directors and Key Managerial Personnel has been summarized in the Corporate Information of the Company forming part of this report.

Declaration by Independent Directors:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that they meet the criteria of the independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**18. FORMAL ANNUAL EVALUATION PROCESS BY BOARD:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own Performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.



A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

#### 19. CORPORATE GOVERNANCE

Since the Company's securities are listed on Emerge SME Platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance with the Corporate Governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this report.

#### 20. COMMITTEES

The Composition of various Committees of your Company as on date is as below:

##### *Audit Committee*

S. No	Name of the Director	Designation	Position in the Committee
1.	Bhadreshkumar Dave	Independent Director	Chairman
2.	Rakesh Soni	Independent Director	Member
3.	Ramkrushna bhai Champaneri	Independent Director	Member
4.	Narendrasinh Chauhan	Managing Director	Member

***Nomination and Remuneration Committee***

S. No	Name of the Director	Designation	Position in the Committee
1.	Bhadreshkumar Dave	Independent Director	Chairman
2.	Rakesh Soni	Independent Director	Member
3.	Snehalben Jani	Independent Director	Member

***Stakeholders Relationship Committee***

S. No	Name of the Director	Designation	Position in the Committee
1.	Bhadreshkumar Dave	Independent Director	Chairman
2.	Ramkrushna bhai Champaneri	Independent Director	Member
3.	Snehalben Jani	Independent Director	Member
4.	Jitendrakumar Chauhan	Wholetime Director	Member

**21. POLICIES:*****RISK MANAGEMENT POLICY:***

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks towards the key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Board of Directors of the Company. Although, Board is of the opinion that there are no major risks affecting the existence of the Company.

**ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES:**

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism wherein the employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Board. The Whistle Blower Policy has been duly communicated within your Company.

Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected, and they are not subject to any discriminatory practices. No personnel have been denied access to the Audit Committee in this regard. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website [www.shubhlaxmiltid.in](http://www.shubhlaxmiltid.in).

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has in place a Prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company did not receive any sexual harassment complaints during the year ended on March 31, 2019. The policy adopted by the Company for Prevention of Sexual Harassment is available on its website at [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in).

**22. SHARE CAPITAL:**

The Authorized share capital of the Company as on 31<sup>st</sup> March 2019 is Rs. 8,50,00,000/- divided into 85,00,000 equity shares of Rs.10/- each.

The Paid-up Share Capital of the Company as on 31<sup>st</sup> March 2019 was Rs. 8,30,40,000/- divided into 83,04,000 Equity Shares of Rs.10/- each fully paid up.

During the year under review, the Company issued 42, 80, 000 Equity Shares of Face value of Rs.10/- at a premium of Rs. 30/- by way of Initial Public Offer on NSE Emerge Platform.

**23. PARTICULARS OF EMPLOYEES:**

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013.

The information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors/employees of the Company is set out in accordance to the requirements.

**24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A detailed analysis of the Company's performance is made in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**25. CEO AND CFO CERTIFICATION:**

Since your Company's securities are listed on Emerge platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance with CEO and CFO Certification as provided under Sub-regulation 8 of Regulation 17 is not applicable. Hence, the same does not form part of this report.

**26. DEMATERIALISATION OF EQUITY SHARES:**

The entire Shareholding of the Company is in demat mode. The ISIN No. allotted is **INE01Z401013**.

**27. LISTING AND DEPOSITORY FEE:**

Your Company has paid Annual Listing Fee for the financial year 2019-20 to National Stock Exchange of India Ltd. according to the prescribed norms & regulations. Company has also paid Annual Custody Fee to National Securities Depository Limited and Issuer Fee to Central Depository Services (India) Limited for the financial year 2019-20

**28. DISCLOSURE OF ACCOUNTING TREATMENT:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**29. ENVIRONMENT, HEALTH AND SAFETY:**

The Company considers it is essential to protect the Earth and limited natural resources as well as the health and well-being of every person. The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment is a part of the Company's DNA.

**30. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organizational growth. During the year, the Company maintained a record of peaceful employee relations.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

**31. FUTURE OUTLOOK:**

Jewellery sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class jewellery business in the country.

Your Company is looking forward to bag new opportunities by increasing its operational efficiency and adopting latest technologies for better execution.

**32. GENERAL DISCLOSURES:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2019) and the date of the report.
- During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India
- The Company is not required to maintain cost records as your company does not fall under the purview of Section 148 of Companies Act, 2013.

**APRECIATIONS & ACKNOWLEDGMENT**

Your Directors wish to place on record their gratitude to Shareholders for the confidence reposed by them and thank all the Clients, Dealers, and other business associates for their contribution to your Company's growth. The Directors also wish to place on record their appreciation of the valuable services rendered by the executive, staff and workers of the Company.

Your Board expresses its gratitude for the assistance and co-operation extended by SEBI, NSE, NSDL, CDSL, MCA, ROC, Central Government and Government of various States and other Regulatory Authorities including Local Governing Bodies.

Your Board appreciates the precious support provided by the Auditors, Lawyers and Consultants. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

The Management is deeply grateful for the confidence and faith that all the stakeholders have reposed in them. Your Directors look forward for their continued support in the future for the consistent growth of the Company.

For and on behalf of the Board of Directors  
Shubhlaxmi Jewel Art Limited

Sd/-  
Narendrasinh Chauhan  
Chairman & Managing Director  
DIN 08123747

Date: May 27, 2019

Place: Bhavnagar

**LIST OF ANNEXURES FORMING PART OF BOARD'S REPORT:**

<b>ANNEXURES</b>	<b>DESCRIPTION</b>
<b>Annexure - A</b>	Extract of Annual Return in form MGT-9
<b>Annexure – B</b>	Secretarial Audit Report in form MR-3
<b>Annexure – C</b>	Management Discussion And Analysis

ANNEXURE-B										
FORM NO. MGT 9										
EXTRACT OF ANNUAL RETURN										
As on financial year ended on 31.03.2019										
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]										
<b>I. REGISTRATION &amp; OTHER DETAILS:</b>										
1	CIN	L74999GJ2018PLC102121								
2	Registration Date	02-05-18								
3	Name of the Company	SHUBHLAXMI JEWEL ART LIMITED								
4	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES INDIAN - NON GOVERNMENT COMPANY								
5	Address of the Registered office & contact details	SHOP NO. 1, GROUND FLOOR, "D & I EXCELUS", WAGHAWADI ROAD, BHAVNAGAR - 364002, GUJARAT, INDIA								
6	Whether listed company	YES								
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400 083, India Tel: 022-49186200; Fax: 022-49186195; Email: shubhlaxmi.ipa@linkintime.co.in Website: www.linkintime.co.in								
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>										
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)										
Sr. No.	Name and Description of main products / services							% to total turnover of the company		
1	JEWELLERY (NIC CODE-3211) As per NIC-2008							100		
2										
3										
<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (NOT APPLICABLE)</b>										
Sr. No.	Name and address of the Company				CIN/GLN		Holding/ Subsidiary/ Associate		% of shares held	Applicable Section
1										
<b>IV. SHARE HOLDING PATTERN</b>										
(Equity share capital breakup as percentage of total equity)										
<b>(i) Category-wise Share Holding</b>										
Category of Shareholders	No. of Shares held at the beginning of the year [As on 02-May-2018]				No. of Shares held at the end of the year [As on 31-March-2019]					
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	0	5800000	5800000	100.00%	5800000	0	5800000	69.85%		
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%		
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%		
d) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%		
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%		
f) Any other	0	0	0	0.00%	0	0	0	0.00%		
<b>Sub Total (A) (1)</b>	0	5800000	5800000	100.00%	5800000	0	5800000	69.85%		
<b>(2) Foreign</b>										
a) NRI Individuals	0	0	0	0.00%	0	0	0	0.00%		
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%		
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%		
d) Any other	0	0	0	0.00%	0	0	0	0.00%		
<b>Sub Total (A) (2)</b>	0	0	0	0.00%	0	0	0	0.00%		
<b>TOTAL (A)</b>	0	5800000	5800000	100.00%	5800000	0	5800000	69.85%		

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>2. Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	0	0	0	0.00%	180018	0	180018	2.17%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>b) Individuals &amp; HUF</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00%	698866	0	698866	8.42%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0.00%	1224000	0	1224000	14.74%	0.00%
iii) HUF	0	0	0	0.00%	276000	0	276000	3.32%	0.00%
<b>c) Others (specify)</b>									
Non Resident Indians	0	0	0	0.00%	0	0	0	0.00%	0.00%
Overseas Corporate Bodies	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
Clearing Members	0	0	0	0.00%	125116	0	125116	1.51%	0.00%
Trusts	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Bodies - D R	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	0	0	0	0.00%	2504000	0	2504000	30.15%	0.00%
<b>Total Public (B)</b>	0	0	0	0.00%	2504000	0	2504000	30.15%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	0	5800000	5800000	100.00%	8304000	0	8304000	100.00%	0.00%



(ii) Shareholding of Promoter								
SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	JITENDRAKUMAR J CHAUHAN	2078140	35.83%	-	2078140	25.03%	-	0.00%
2	NARENDRASINH J CHAUHAN	2078140	35.83%	-	2078140	25.03%	-	0.00%
3	JAGRUTIBEN N CHAUHAN	794600	13.70%	-	794600	9.57%	-	0.00%
4	KAJAL JITENDRAKUMAR CHAUHAN	794600	13.70%	-	794600	9.57%	-	0.00%
5	RANJITSINH GAMBHIRSINH SOLANKI	19140	0.33%	-	19140	0.23%	-	0.00%
6	JIGNASHA RANJITSINH SOLANKI	19140	0.33%	-	19140	0.23%	-	0.00%
7	VILASBEN ASHOKKUMAR PARMAR	16240	0.28%	-	16240	0.20%	-	0.00%
(iii) Change in Promoters’ Shareholding (please specify, if there is no change): NOT APPLICABLE								
	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares	% of total shares	
	At the beginning of the year	-	-	-	0.00%	-	0.00%	
	Changes during the year	-	-	-	0.00%	-	0.00%	
	At the end of the year	-	-	-	0.00%	-	0.00%	
(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	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
				No. of shares	% of total shares	No. of shares	% of total shares	
1	Name	GAJANANBHAI HIMATLAL SHUKLA						
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%	
	Changes during the year			-	0.00%	-	0.00%	
	At the end of the year	31.03.2019		116000	1.40%	116000	1.40%	
2	Name	MARWADI SHARES AND FINANCE LIMITED						
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%	
	Changes during the year			-	0.00%	-	0.00%	
	At the end of the year	31.03.2019		108000	1.30%	108000	1.30%	
3	Name	MONA BHAVESH GANDHI						
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%	
	Changes during the year			-	0.00%	-	0.00%	
	At the end of the year	31.03.2019		80000	0.96%	80000	0.96%	
4	Name	ANILKUMAR JAGDISHBHAI SOLANKI						
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%	
	Changes during the year			-	0.00%	-	0.00%	
	At the end of the year	31.03.2019		76000	0.92%	76000	0.92%	
5	Name	CHIRAG D LANGALIYA HUF						
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%	
	Changes during the year			-	0.00%	-	0.00%	
	At the end of the year	31.03.2019		76000	0.92%	76000	0.92%	

<b>6</b>	<b>Name</b>	<b>MEHUL BHARATBHAI SHAH (HUF)</b>					
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2019		56000	0.67%	56000	0.67%
<b>7</b>	<b>Name</b>	<b>MADHAV COPPER LIMITED</b>					
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2019		52000	0.63%	52000	0.63%
<b>8</b>	<b>Name</b>	<b>GHANSHYAMBHAI RANCHHODDAS PATEL (HUF)</b>					
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2019		44000	0.53%	44000	0.53%
<b>9</b>	<b>Name</b>	<b>ANKITABEN AMITKUMAR GANDHI</b>					
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2019		44000	0.53%	44000	0.53%
<b>10</b>	<b>Name</b>	<b>BHAIRAVI AJAYBHAI BHATT</b>					
	At the beginning of the year	02.05.2018		0	0.00%	0	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31.03.2019		44000	0.53%	44000	0.53%

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name	RANJITSINH GAMBHIRSINH SOLANKI					
	At the beginning of the			19,140	0.33%	19,140	0.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			19,140	0.23%	19,140	0.23%
2	Name	NARENDRASINH JESINGBHAI CHAUHAN					
	At the beginning of the year			2,078,140	35.83%	2,078,140	35.83%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,078,140	25.03%	2,078,140	25.03%
3	Name	JITENDRAKUMAR JESINGBHAI CHAUHAN					
	At the beginning of the year			2,078,140	35.83%	2,078,140	35.83%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,078,140	25.03%	2,078,140	25.03%
4	Name	KAJAL JITENDRAKUMAR CHAUHAN					
	At the beginning of the year			794,600	13.70%	794,600	13.70%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			794,600	9.57%	794,600	9.57%
5	Name	JAGRUTIBEN NARENDRASINH CHAUHAN					
	At the beginning of the year			794,600	13.70%	794,600	13.70%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			794,600	9.57%	794,600	9.57%

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
(Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition / Reduction	-	66,877,272.00	-	66,877,272.00
<b>Net Change</b>	-	66,877,272.00	-	66,877,272.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	66,877,272.00	-	66,877,272.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	66,877,272.00	-	66,877,272.00
VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
<b>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</b>				
SN.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
	Name			(Rs/Lac)
	Designation			
1	Gross salary		-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	

<b>B. Remuneration to other Directors</b>					
SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs/Lac)
1	Executive Directors				
	Fee for attending board committee meetings	-		-	-
	Commission/Bonus	-	-	-	-
	Others, please specify (remuneration)			-	-
	Total (1)	-	-	-	-
2	Executive Directors				-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)		-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				
<b>C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD</b>					
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
					(Rs/Lac)
	Name				
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	
	- as % of profit	-	-	-	-
5	- others, specify	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:					
Type	Section	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

**Date: : 27.05.2019**  
**Place: BHAVNAGAR**

**For, SHUBHLAXMI JEWEL ART LIMITED**

Sd/-  
**Managing Director**  
**Narendrasinh Chauhan**  
**DIN: 08123747**

Sd/-  
**Wholetime Director**  
**Jitendrakumar Chauhan**  
**DIN: 08123748**

**ANNEXURE – B**

Form No. MR - 3

**SECRETARIAL AUDIT REPORT**

For the financial year ended 31<sup>st</sup> March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Shubhlaxmi Jewel Art Limited  
Bhavnagar

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Shubhlaxmi Jewel Art Limited (hereinafter called the company) having its registered office at Shop no. 1, Ground Floor, "D & I Excelus", Waghawadi road, Bhavnagar – 364002, Gujarat, India. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules

made there under;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015/ 2018;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/2018; (Not applicable to the Company during the audit period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018; (Not applicable to the Company during the audit period)
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;



- (vi) Other Specifically applicable laws to the company
- Trade Mark Act, 1999.

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings, Committee Meetings and Circular Resolution are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- Meetings at shorter Notice, if any, are conducted with adequate consent of the Directors.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that during the Audit period, following events occurred which are having a major bearing on the Company's affairs-

- In the month of December 2018, the company conducted an IPO (SME Issue) and got its shares listed at NSE Emerge (SME Segment) on 04.12.2018.
- In the said IPO 25,04,000 equity shares were freshly issued and allotted @ Rs. 26 per share. This resulted in corresponding change

in the capital structure of the Company.

- M/s Sanghavi & Co, Chartered Accountants were appointed as First Statutory Auditors of the Company till the conclusion of the first Annual General Meeting.
- The Company has been filing the forms and returns with the Ministry of Corporate Affairs as required under the Act.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Parth Nair & Associates,  
Company Secretaries

Sd/-

Place: Ahmedabad  
Date: 06.09.2019

Parth Nair  
Company Secretary  
C P No: 17278

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY OVERVIEW**

The Gems & Jewellery industry has acquired prominence over the years in the country, given its dual utility of improving aesthetics as well as investment. The Gems & Jewellery sector plays a significant role in the Indian economy, contributing around 7% of the country's GDP and 15.71% to India's total merchandise exports. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India and China are the largest consumers as well as the largest manufacturers of the gold jewellery in the world. However, India is the largest player in diamond cutting and polishing. 12 out of 14 diamonds sold in the world are either polished or cut in India. A major chunk of gold jewellery manufactured in India is for domestic consumption, whereas a major portion of polished diamonds or finished diamond jewellery is exported. Moreover, India exports 75% of the world's polished diamonds, as per statistics from the Gems and Jewellery Export Promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). UAE, US, Russia, Singapore, Hong Kong, Latin America and China are the biggest importers of Indian jewellery.

The net exports from India rose from USD 15.66 billion in FY 2004 - 05 to USD 30.96 billion in FY 2018 - 19 at a Compound Annual Growth Rate (**CAGR**) of 4.99% over FY 2005 - 19. In FY 2019, India exported USD 23.82 billion worth of cut and polished diamonds, at a CAGR of 5.56%. India's share in the global diamond market is 65% in value terms, 85% in volume terms and 92% in number of pieces. India's gems and jewellery imports increased at a CAGR of 5.93% from USD 11.63 billion in FY 2004 - 05 to USD 26.05 billion in FY 2018 - 19.

India's gems and jewellery industry is one of the largest in the world contributing almost 29% to the global jewellery consumption. Its market size is about USD 75 billion as of 2017 and is expected to reach USD 100 billion by 2025. This sector currently employs over 4.64 million people and is expected to employ 8.23 million by 2022.

### **SEGMENT WISE PERFORMANCE**

The Company is a single product entity, viz jewellery and is engaged in the business of manufacturing, sales and trading of jewellery. Jewellery is however, further segregated into gold, diamond, silver etc. Based on geographical areas, the Company has one operating segment i.e. domestic sales. The share of domestic sales in the revenue from operations of the Company during FY 2018-19 was Rs.

51,48,89,156/-. The segment wise revenue and results of the Company as on March 31, 2019 on are as under:

<b>(Rupees)</b>	
<b>Revenue</b>	<b>Amount</b>
Domestic Sales	51,48,89,156
<b>Net sales/income from operations</b>	<b>51,48,89,156</b>
<b>Segment Results:</b>	
Profit before tax and interest from each segment	1,35,64,749
<b>Net Profit for the year</b>	<b>1,00,39,749</b>

## **OPPORTUNITIES AND THREATS**

The Indian jewellery market is a very interesting market. At one end of sphere the expenditure on jewellery as a part of overall wedding expenditure is increasing and as per some reports the expenditure on jewellery constitutes nearly 35 - 40% of overall wedding expenditure. The trousseau of any Indian bride is even today incomplete without matching jewellery. The gold and other traditional jewellery items like Polki and Kundan continues to remain the favourite for wedding wear. On the other end jewellery is gradually becoming a life style and fashion accessory as well. This has increased the number of times when a jewellery item is purchased and has therefore also led the jewellers to invest into, create and stock more of light weight, relatively low priced and diamond studded jewellery items in addition to traditional wedding jewellery.

The sector is witnessing changes in customer preferences due to adoption of western lifestyle and their demand for new designs and varieties in jewellery. Further, rising quality awareness of customers has also provided a fillip to the organized retail segment, which is banking on its 'reliability' and 'quality' to compete against the highly fragmented unorganized jewellers.

The increase in the gold prices in the recent years has provided an incentive to the customers for recycling of their old jewellery and has also lowered the cost of acquisition of new jewellery. For the jewellers old jewellery acts as a source of raw material and also reduces their cash requirements in the sense that they are able to procure their raw material in kind only.

The Company does not perceive any major or predictable threats except that the retail jewellery is already a working capital intensive business and the demand for jewellery is now increasing beyond the traditional wedding jewellery. This increase in the range and variety of jewellery demanded by the customers requires additional investment in inventory. Also though the diamond jewellery has higher margins it also has a much longer cash conversion cycle vis a vis gold and all of these factors have only increased the working capital intensity of the jewellery business.

## **OUTLOOK**

The organized jewellers are expected to grow at 10-11% through Fiscal 2022 and this growth will continue to be based on:

- i) continuing shift from unorganized towards organized players;
- ii) longer duration promotional schemes; and
- iii) fresh showroom additions.

At the same time operating profitability is expected to remain stable at around 5% despite the aggressive promotional schemes and new showroom openings on account of sales mix shifting towards diamonds and diamond studded jewellery which have higher margins. The increasing number of Indian middle class with a commensurate increase in the disposable income is expected to lead to an increase in the jewellery demand.

## **RISKS AND CONCERNS**

The Company has well defined systems and procedures for managing its operational risks, which includes a system of movement of jewellery through specialized courier agency, strong room and CCTVs and armed guards at all its showrooms. The entire inventory of the Company is insured. The Company has cash pick up arrangements with leading banks, with transit insurance. The Company is also exposed to price risk movements in gold. However, it has put rigorous systems and procedures in place to take care of these concerns. The Company has in place a risk management framework that helps in anticipating, identifying and evaluating business risks and challenges across the Company and finding ways to mitigate them.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has effective internal control system in place, which are regularly reviewed by independent Internal Auditors of the Company and the internal audit reports are periodically reviewed by Audit Committee. The Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. Based on the assessment carried out by an independent agency and the evaluation of the results of the assessment, the Board of Directors and Auditors are of the opinion that the Company has adequate internal controls over financial reporting that are operating effectively as of March 31, 2019.

## **FINANCIAL PERFORMANCE**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 and the applicable Rules, as amended from time to time and other pronouncements / provisions of the applicable laws. The salient parameters of the financial performance of the Company during the year under review are as under:

<b>The brief financial results are as under</b>	<b>F Y 2018-19</b>
Revenue from operations	51,51,26,733
ADD: Other Income	57,476
Total Revenue (A)	51,51,84,209
<b>EXPENSES</b>	
Employee benefit expenses	77,14,860
Finance Cost	75,09,996
Depreciation	33,36,014
Other Expenses	1,94,26,913
TOTAL EXPENSES (B)	50,16,19,460
Profit before Tax (A)-(B)	1,35,64,749
LESS: TAX EXPENSES	35,25,000
Profit after tax	1,00,39,749
Earnings Per Share	1.50

#### **HUMAN RESOURCES & INDUSTRIAL RELATIONS**

The Company acknowledges that its principal asset is its employees and believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The industrial relations within the Company have remained harmonious throughout the year.

**References** - Various industry reports and websites

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**INDEPENDENT AUDITORS' REPORT**

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To

The Members of

**SHUBHLAXMI JEWEL ART LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Shubhlaxmi Jewel Art Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the statement of profit and loss and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2019 and of the profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in our forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to communicate in our report.



Net realizable value of inventories:

Inventory of stock in trade is valued at lower of cost or net realizable value (estimated selling price less estimated cost to sell). Considering the volatility in the selling price of precious metals, which is dependent upon various market conditions, determination of the net realizable value involves significant management judgment and therefore, has been considered as a key audit matter.

Auditor's response:

We have obtained an understanding of the determination of the net realizable values and assessed and tested the reasonableness of the significant judgments applied by the management.

We have compared the cost of stock in trade with the estimated net realizable value and evaluated the design of internal controls relating to the valuation of inventories.

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Shareholder's Information, but does not include the financial statements and auditor's report thereon. The Board's Report and other information are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the aforesaid reports and information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerns and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.





The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### 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 terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in clause 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 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 it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid 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<sup>st</sup> March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019, from being appointed as a director in terms section 164(2) of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure - B may be referred;
  - g) No remuneration is paid by the Company to its directors during the year in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;



- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Bhavnagar  
27<sup>th</sup> May, 2019



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485

**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the Company.
- 2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- 4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.
- 5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6 The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013.
- 7 In respect of statutory and other dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Custom Duty, Cess, Goods & Service Tax and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. There are no amounts outstanding, which have not been deposited on account of dispute.
- 8 The Company has not defaulted in repayment of loans or borrowing to banks. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.



- 9 Money raised by way of initial public offer and terms loans were applied for the purpose for which those were raised.
- 10 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees was noticed or reported during the year.
- 11 Since the Company has not paid any managerial remuneration during the year, the provisions of clause 3(xi) of the Order are not applicable to the Company.
- 12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Bhavnagar  
27<sup>th</sup> May, 2019



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj*

**MANOJ GANATRA**  
Partner  
Membership No. 043485



**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Shubhlaxmi Jewel Art Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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



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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Bhavnagar  
27<sup>th</sup> May, 2019



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

**MANOJ GANATRA**  
Partner  
Membership No. 043485

**SHUBHLAXMI JEWEL ART LIMITED**  
**BALANCE SHEET AS AT 31st MARCH 2019**

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2019	
<b>EQUITY AND LIABILITIES ::</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	8,30,40,000	
Reserves and Surplus	3	4,32,84,677	12,63,24,677
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	1,72,66,211	
Other Long Term Liabilities		-	
Long-Term Provisions	5	2,22,072	1,74,88,283
<b>Current Liabilities</b>			
Short-Term Borrowings	6	4,96,11,061	
Trade Payables		3,02,29,223	
Other Current Liabilities	7	1,99,08,549	
Short-Term Provisions	8	10,22,413	10,07,71,246
<b>Total...</b>			<b>24,45,84,206</b>
<b>ASSETS ::</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		1,99,04,565	
Intangible Assets		-	
Capital Work-in-Progress		-	
		1,99,04,565	
Non-Current Investments		-	
Long-Term Loans and Advances	10	16,09,173	
Deferred Tax Assets (net)		4,08,000	
Other Non-current Assets		-	2,19,21,738
<b>Current Assets</b>			
Current Investments		-	
Inventories	11	19,60,67,038	
Trade Receivables	12	1,64,75,869	
Cash and Bank Balances	13	57,22,663	
Short-Term Loans and Advances	14	43,96,898	
Other Current Assets		-	22,26,62,468
<b>Total...</b>			<b>24,45,84,206</b>
The accompanying notes 1 to 31 are an integral part of these financial statements.			

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANTRA  
Partner



For and on behalf of the Board of Directors

JITENDRA KUMAR CHAUHAN  
Wholetime Director

BINAL KOTHARI  
Company Secretary

NARENDRA SINGH CHAUHAN  
Managing Director

RANJITSINH SOLANKI  
Chief Financial Officer

Bhavnagar  
27th May 2019

Bhavnagar  
27th May 2019



**SHUBHLAXMI JEWEL ART LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2019**

( Amount in Indian ₹)

Particulars	Note No.	2nd May 2018 to 31st March 2019
<b>REVENUE :</b>		
Revenue from Operations	15	51,51,26,733
Other Income	16	57,476
Total Revenue		<b>51,51,84,209</b>
<b>EXPENSES :</b>		
Materials and Direct Expenses		-
Purchases of Stock in trade		52,63,57,822
Changes in Inventories	17	(6,27,26,145)
Employee Benefit Expenses	18	77,14,860
Finance Costs	19	75,09,996
Depreciation and Amortization		33,36,014
Other Expenses	20	1,94,26,913
Total Expenses		<b>50,16,19,460</b>
Profit before exceptional and extraordinary items and tax		1,35,64,749
Exceptional Items		-
Profit before extraordinary items and tax		<b>1,35,64,749</b>
Extraordinary Items		-
Profit Before Tax		1,35,64,749
Tax Expenses		
Current Tax		39,33,000
Deferred Tax		(4,08,000)
Net Profit for the year		<b>1,00,39,749</b>
Face Value per Equity Share		10.00
Earnings per Equity Share		
Basic / Diluted		<b>1.50</b>
The accompanying notes 1 to 31 are an integral part of these financial statements.		

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner



For and on behalf of the Board of Directors

*J. Jha*  
JITENDRAKUMAR CHAUHAN  
Wholetime Director

*N. Chaudhary*  
NARENDRASINH CHAUHAN  
Managing Director

*Binal*  
BINAL KOTHARI  
Company Secretary

*R. Solanki*  
RANJITSINH SOLANKI  
Chief Financial Officer

Bhavnagar  
27th May 2019

Bhavnagar  
27th May 2019

## SHUBHLAXMI JEWEL ART LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Amounts in Indian ₹)

Particulars	2018-2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>	
Net Profit Before Tax And Extraordinary Items	1,35,64,749
Adjustments for -	
Depreciation	33,36,014
Loss (Profit) on sale of fixed assets	-
Interest	70,01,380
Operating Profit Before Working Capital Changes	2,39,02,143
Adjustments for -	
Trade and Other Receivables	(2,24,81,940)
Inventories	(19,60,67,038)
Trade and Other Payables	5,07,99,257
Cash Generated From Operations	(16,77,49,721)
	(14,38,47,578)
Direct Taxes Paid	(33,50,000)
	(33,50,000)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(14,71,97,578)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>	
Purchase of Fixed Assets	(2,32,40,579)
Sale of Fixed Assets	-
Interest Received	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(2,32,40,579)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>	
Proceeds from Long Term Borrowings (net)	1,72,66,211
Proceeds from Short Term Borrowings (net)	4,96,11,061
Issue of share capital (net of expenses)	11,62,84,928
Interest Paid	(70,01,380)
Dividend Paid	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>17,61,60,820</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>57,22,663</b>
Cash and Cash Equivalents as at beginning of the year	-
Cash and Cash Equivalents as at end of the year	57,22,663
<b>Cash and Cash Equivalents:</b>	
Cash and Bank Balances	57,22,663
Statutory restricted accounts	-
	57,22,663

As per our report of even date

For SANGHAVI & COMPANY  
Chartered AccountantsMANOJ GANATRA  
PartnerJITENDRAKUMAR CHAUHAN  
Wholetime DirectorBINAL KOTHARI  
Company Secretary

For and on behalf of the Board of Directors

NARENDRASINH CHAUHAN  
Managing DirectorRANJITSINH SOLANKI  
Chief Financial OfficerBhavnagar  
27th May 2019Bhavnagar  
27th May 2019

**Note: 1**

**1 Significant Accounting Policies:**

**1.1 Basis of Accounting:**

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

**1.2 Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**1.3 Fixed Assets:**

Tangible Assets are stated at cost less depreciation, All the costs incurred till the date of the assets ready for use, including installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective assets. Depreciation is provided on Straight Line Method in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

**1.4 Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

- i. Packing materials – on weighted average basis;
- ii. Stock in trade - at material cost plus direct expenses.

**1.5 Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed the buyer, which generally coincides with dispatch of goods. Goods & Service Tax is collected on behalf of the Government and therefore, excluded from the revenue.

**1.6 Goods and Service Tax:**

Purchased of goods and fixed assets are accounted for net of GST input credits.



**1.7 Employee Benefits:**

**Post-employment benefit plans:**

- i) **Defined Contribution Plan:** Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
- ii) **Defined Benefit Plan:** The liability in respect of gratuity is determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains are recognised in full in the profit and loss account for the period in which they occur.

**Short-term employee benefits:** The undiscounted amount of short-term benefits expected to be paid in exchange for services rendered by employee is recognised during the period when the employee renders the service.

**1.8 Borrowing Costs:**

Net cost of borrowed funds for the projects till completion are capitalized and included in the cost of fixed assets. Other borrowing costs are recognized as expenses in the period in which they are incurred.

**1.9 Taxation:**

Provisions are made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**1.10 Earning per Share:**

Basic earning per Share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

**1.11 Provision and Contingencies:**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow or where a reliable estimate of the obligation can not be made.



## Note No. 2

### 2.1 Share Capital:

Particulars	31st March 2019
	₹

#### Authorised

85,00,000 equity shares of ₹ 10 each	8,50,00,000
	<u>8,50,00,000</u>

#### Issued, Subscribed and Paid up

83,04,000 equity shares of ₹ 10 each	8,30,40,000
	<u>8,30,40,000</u>

### 2.2 Share Capital Reconciliation:

Particulars	Equity Shares	
	No. of shares	₹
Shares outstanding at the beginning of the period	-	-
Shares issued during the year	83,04,000	8,30,40,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	83,04,000	8,30,40,000

### 2.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2019	
	No. of shares	% of holding
Narendrasinh J Chauhan	20,78,140	25.03
Jitendrakumar J Chauhan	20,78,140	25.03
Jagrutiben N Chauhan	7,94,600	9.57
Kajalben J Chauhan	7,94,600	9.57

### 2.4 Rights, preferences and restrictions attached to shares

#### Equity Shares:

The Company has one class of equity shares having a face value of ₹ 10 each ranking pari passu in all respect including voting rights and entitlement to dividend.





**Note No. 3****Reserves and Surplus**

Particulars	31st March 2019 ₹
<b><u>Securities Premium</u></b>	
Balance at the beginning of the year	-
Additions during the year	4,00,64,000
Share issue and preliminary expenses	(68,19,072)
Balance at the end of the year	3,32,44,928
<b><u>Surplus</u></b>	
Balance at the beginning of the year	-
Net profit for the year	1,00,39,749
Balance at the end of the year	1,00,39,749
	4,32,84,677

**Note No. 4****Long-term Borrowings**

Particulars	31st March 2019 ₹
-------------	-------------------------

**Secured Loans**

Term loans from banks 1,72,26,654

Working capital finance from a bank is secured by first and exclusive charge on all current and future movable fixed assets of the Company, equitable mortgage of immovable property of the Company and residential and other properties of some of the directors and of relatives of the promoters and further secured by the personal guarantees of the directors, relative of the promoters and guarantee of an associate company.

Term loans from banks against hypothecation of vehicles 39,557

1,72,66,211

**Unsecured Loans**

1,72,66,211

**Note No. 5****Long Term Provisions**

Particulars	31st March 2019 ₹
Provision for Gratuity	2,22,072
	2,22,072



**Note No. 6****Short-term Borrowings**

Particulars	31st March 2019 ₹
-------------	-------------------------

Working capital finance from a bank 4,96,11,061

Working capital finance from a bank is secured by first and exclusive charge on all current and future movable fixed assets of the Company, equitable mortgage of immovable property of the Company and residential and other properties of some of the directors and of relatives of the promoters and further secured by the personal guarantees of the directors, relative of the promoters and guarantee of an associate company.

4,96,11,061

**Note No. 7****Other Current Liabilities**

Particulars	31st March 2019 ₹
-------------	-------------------------

Current maturity of long-term debts 1,00,79,073  
 Advances from customers 65,44,435  
 Statutory liabilities 1,48,755  
 Other liabilities 31,36,286

1,99,08,549

**Note No. 8****Short Term Provisions**

Particulars	31st March 2019 ₹
-------------	-------------------------

Provision for income tax (net of payments) 5,83,000  
 Provision for bonus 4,39,413  
 10,22,413



**Note No. 9**  
**Fixed Assets**

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	As at 2nd May 2018	Additions	Deductions	As at 31st March 2019	As at 2nd May 2018	Depreciation For the Year	On Deductions/ Adjustment	As at 31st March 2019	As at 2nd May 2018
<b>Tangible Assets</b>									
Building	2,50,77,078	-	-	2,50,77,078	90,02,182	3,63,200	-	93,65,382	1,60,74,896
Office Equipment	51,77,675	59,378	-	52,37,053	24,57,175	22,66,715	-	47,23,890	27,20,500
Computers	11,37,140	69,000	-	12,06,140	9,70,448	45,262	-	10,15,710	1,66,692
Furniture & Fixtures	40,44,708	-	-	40,44,708	13,61,167	4,02,020	-	17,63,187	26,83,541
Plant & Equipment	-	79,282	-	79,282	-	3,233	-	3,233	-
Vehicles	21,87,418	-	-	21,87,418	8,00,128	2,55,584	-	10,55,712	13,87,290
<b>Total...</b>	<b>3,76,24,019</b>	<b>2,07,660</b>	<b>-</b>	<b>3,78,31,679</b>	<b>1,45,91,100</b>	<b>33,36,014</b>	<b>-</b>	<b>1,79,27,114</b>	<b>2,30,32,919</b>





**Note No. 10****Long-Term Loans and Advances**

Particulars	31st March 2019 ₹
<u>Unsecured (considered good)</u>	
Capital advances	-
Security deposits	16,09,173
	<u>16,09,173</u>

**Note No. 11****Inventories**

Particulars	31st March 2019 ₹
Stock in trade (Valued at lower of cost or net realisable value)	19,46,35,985
Packing and other materials	14,31,053
	<u>19,60,67,038</u>

**Note No. 12****Trade Receivables**

Particulars	31st March 2019 ₹
<u>Unsecured (considered good)</u>	
Over six months	1,12,92,640
Others	51,83,229
	<u>1,64,75,869</u>



**Note No. 13****Cash and Bank Balances**

Particulars	31st March 2019 ₹
-------------	-------------------------

Cash and Cash EquivalentsBalances with Banks:

Current accounts	28,00,475
Short term deposits	-
	<hr/> 28,00,475
Cash on hand	29,22,188
	<hr/> 57,22,663

**Note No. 14****Short-Term Loans and Advances**

Particulars	31st March 2019 ₹
-------------	-------------------------

Unsecured (considered good)

Trade advances to suppliers	32,30,502
Prepaid expenses	2,79,314
Input credit receivables	8,24,722
Other loans and advances	62,360
	<hr/> 43,96,898



**Note No. 15**  
**Revenue from Operations**

Particulars	2nd May 2018 to 31st March 2019	
	₹	
Sales (net)	51,48,89,156	51,48,89,156
Other operational income		2,37,577
		<u>51,51,26,733</u>

**Note No. 16**  
**Other Income**

Particulars	2nd May 2018 to 31st March 2019	
	₹	
Profit on future trading in commodities		57,471
Other income		5
		<u>57,476</u>

**Note No. 17**  
**Change in Inventories**

Particulars	2nd May 2018 to 31st March 2019	
	₹	
<u>Closing Stock</u>		
Stock in trade	19,46,35,985	19,46,35,985
<u>Opening Stock</u>		
Stock in trade	13,19,09,840	13,19,09,840
		<u>(6,27,26,145)</u>

**Note No. 18**  
**Employee Benefit Expenses**

Particulars	2nd May 2018 to 31st March 2019	
	₹	
Salaries, bonus and allowances	69,97,606	
Directors' remuneration	-	
Contribution to PF and other funds	5,37,457	
Staff welfare and other expenses	1,79,797	77,14,860
		<u>77,14,860</u>



**Note No. 19**  
**Finance Costs**

Particulars	2nd May 2018 to 31st March 2019	
	₹	
<u>Interest</u>		
Bank	69,85,499	
Income tax	14,681	
Others	1,200	70,01,380
Other borrowing costs		5,08,616
		<u>75,09,996</u>

**Note No. 20**  
**Other Expenses**

Particulars	2nd May 2018 to 31st March 2019	
	₹	
<u>Trading Expenses</u>		
Packing expenses	19,67,353	
Labour charges	83,09,858	
Other expenses	2,18,332	1,04,95,543
<u>Selling and Distribution Expenses</u>		
Discount, kasar and sales scheme expenses	26,85,223	
Goods and service tax	1,14,214	
Business promotion expenses	53,787	28,53,224
<u>Administrative and Other Expenses</u>		
Rent	3,50,000	
Rates and taxes	96,567	
Office repairs and maintenance	1,81,011	
Electric expenses	5,49,948	
Insurance premiums	2,92,107	
Postage and telephone expenses	76,307	
Printing and stationery expenses	1,93,868	
Computer expenses	2,07,110	
Vehicle expenses	1,40,551	
Travelling and conveyance	1,59,516	
Advertisement expenses	14,47,456	
Legal and professional fees	3,65,024	
Payments to auditors	2,26,750	
Bank commission and charges	8,19,124	
Donations	1,71,800	
General expenses	8,01,007	60,78,146
		<u>1,94,26,913</u>



21. The Company was converted into a limited company from erstwhile partnership firm, M/s Shubhlaxmi Jewellers and consequently, all the assets and liabilities of the erstwhile firm were transferred to the Company. The Company was incorporated under the Companies Act, 2013 on 2<sup>nd</sup> May 2018. The Company made an initial public offer of 25,04,000 equity shares of ₹ 10 each at a premium of ₹ 16 per share on 1<sup>st</sup> December 2018 which were listed on SME platform of the National Stock Exchange (NSE) on 4<sup>th</sup> December 2018.
22. Balances with Sundry Debtors, Sundry Creditors and for Advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.
23. Deferred tax assets of ₹ 4,08,000 arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is credited to the profit & loss account. Details of the balance of ₹ 4,08,000 are as under:

Particulars	₹
Depreciation	2,24,243
Disallowance u/s 43B of the Income Tax Act	1,83,757
Total	4,08,000

24. The management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard AS-28. Based on the Judgment of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
25. As the Company's business activity, in the opinion of the management, falls within a single primary segment subject to the same risks and returns, the disclosure requirements of Accounting standard AS-17 "Segment Reporting" are not applicable.
26. **Payments to Auditors:**

Particulars	2018-2019 ₹
Audit fees	1,25,000
Tax audit fees	25,000
Other matters	76,750

27. **Related Party Disclosures:**

➤ **Associates :**

- Jesingbhai Jewellers

➤ **Key Managerial Personnel and Relatives:**

- |                              |                               |
|------------------------------|-------------------------------|
| 1. Shri Narendrasinh Chauhan | 2. Shri Jitendrakumar Chauhan |
| 3. Smt. Jagrutiben Chauhan   | 4. Smt. Kajalben Chauhan      |
| 5. Shri Ranjitsinh Solanki   | 6. Smt. Vilasben Parmar       |
| 7. Smt. Binal Kothari        | 8. Smt. Jignasaben Solanki    |



Nature of Transactions	2018-2019
	₹
<b>Associates:</b>	
1. Purchase of materials	27,27,380
2. Sale of materials	71,12,823
2. Outstanding Balance: Trade Payables	8,978
Trade Receivables	11,472
<b>Key Management Personnel:</b>	
1. Remuneration	199,658
2. Outstanding balance: Other Current Liabilities	26,15,465

28. Additional information (as certified by the management):

28.1 Sales & Stocks :

Particulars	Sales ₹	Closing Stock ₹	Opening Stock ₹
Precious Metals and Ornaments	51,48,89,156	19,60,67,040	13,34,90,661

28.2 Earning and Expenditure in Foreign Currencies: Nil (Nil)

29. As none of the vendors are registered under Micro, Small and Medium Enterprises Development Act, 2006, disclosure relating to amounts unpaid as at the year-end together with interests paid/payable under this act is not applicable.
30. All the amounts are stated in Indian Rupees, unless otherwise stated.
31. This being the first reporting period, figures for the previous year are not stated.

Signatures to Note No. 1 to 31

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants

MANOJ GANATRA  
Partner



For and on behalf of the Board of Directors

NARENDRASINH CHAUHAN  
Managing Director

JITENDRAKUMAR CHAUHAN  
Whole-time Director

RANJITSINH SOLANKI  
Chief Financial Officer

BINAL KOTHARI  
Company Secretary

Bhavnagar  
27<sup>th</sup> May 2019

Bhavnagar  
27<sup>th</sup> May 2019



## NORM NO. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN : L74999GJ2018PLC102121

Name of the Company : Shubhlaxmi Jewel Art Limited

Registered Office : Shop No. 1, Ground Floor, "D & I Excelus", Waghawadi Road,  
Bhavnagar-364002, Gujarat, India

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No/ Client Id/ DP ID :

I/We, being the member (s) of ..... shares of the above named  
company, hereby appoint

1. Name : .....

Address : ..... E-mail Id.....

Signature : ..... or failinghim.....

2. Name : .....

Address : ..... E-mail Id.....

Signature : ..... or failinghim.....

3. Name : .....

Address : ..... E-mail Id.....

Signature : ..... or failinghim.....

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 1st Annual General Meeting of the company, to be held on **September 26, 2019 on Thursday at 1:30 P.M. at the registered office of the Company situated at Shop No. 1, Ground Floor, "D & I Excelus", Waghawadi Road, Bhavnagar-364002, Gujarat, India**, and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolutions**

1. Consider and adopt Audited Financial Statement, reports of the Board of directors and Auditor for the year ended 31st March, 2019. (Ordinary Resolution)
2. Approve the appointment of Statutory Auditor and Fixing their remuneration. (Ordinary Resolution)
3. Alteration in Articles of Association of the Company (Special Resolution)

Signed this..... day of..... 2019

Affix Revenue Stamp  
Here

.....  
**Signature of shareholder**

.....  
**Signature of Proxy holder(s)**

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**SHUBHLAXMI JEWEL ART LIMITED**

L74999GJ2018PLC102121

Registered Office : Shop No. 1, Ground Floor, "D & I Excelus", Waghawadi Road, Bhavnagar-364002,  
Gujarat, India

**ATTENDANCE SLIP**

01<sup>st</sup> Annual General Meeting of Shubhlaxmi Jewel Art Limited held on **September 26, 2019 on Thursday at 1:30 P.M. at the registered office of the Company situated at Shop No. 1, Ground Floor, "D & I Excelus", Waghawadi Road, Bhavnagar-364002, Gujarat, India**

Folio No./DPID/Client ID : .....

Mr./Mrs./Miss : .....  
(Shareholders' name in block letters)

I/We certify that I/We am/are registered shareholder / proxy for the registered shareholder of the company.

I/We hereby record my/our presence at the 01<sup>st</sup> Annual General meeting of the company held on **September 26, 2019 on Thursday at 1:30 P.M. at the registered office of the Company situated at Shop No. 1, Ground Floor, "D & I Excelus", Waghawadi Road, Bhavnagar-364002, Gujarat, India**

(If signed by proxy, his name should be written in block letters)

(Shareholders/proxy's Signature)

**Note:**

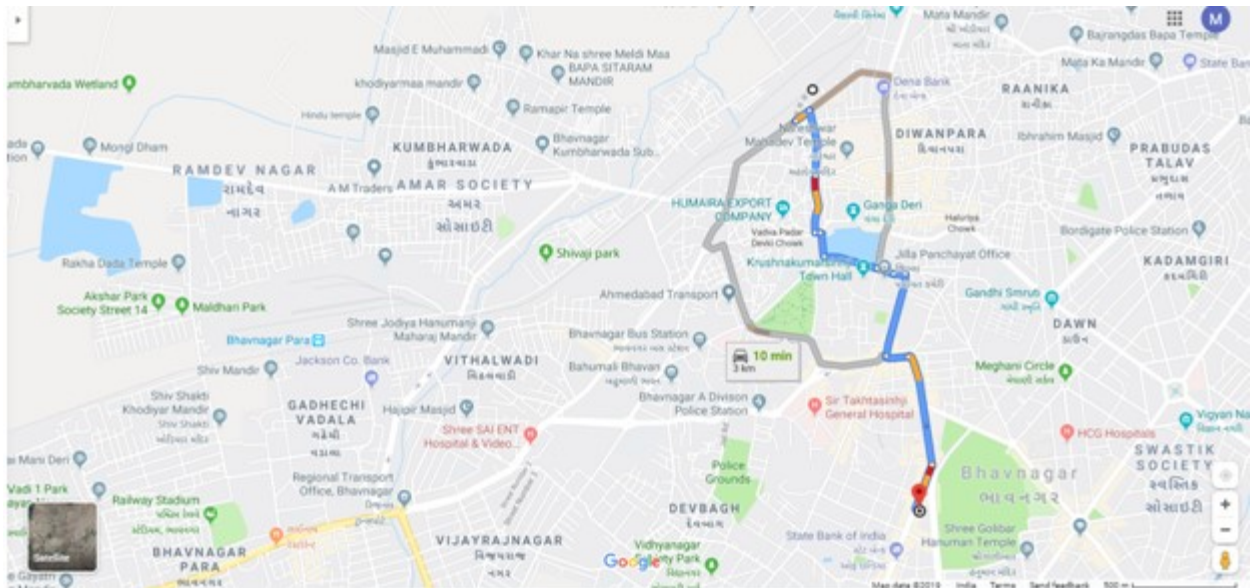
1. Shareholders/proxy holders are requested to bring the attendance slips with them when they come to the meeting and hand over them at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the form of proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

## NOTES

## NOTES

## Route Map to the Venue of the AGM

Shop No. 1, Ground Floor, “D & I Excelus”, Waghawadi Road, Bhavnagar-364002, Gujarat, India



Distance from Bhavnagar Railway Station : 3 Km.