



**Shubhlaxmi**  
Jewel Art Ltd.



CIN : L74999GJ2018PLC1021213  
**SHUBHLAXMI JEWEL ART LIMITED**  
Formerly known as Shubhlaxmi Jewellers

**Date: 08.09.2021**

To,  
**National Stock Exchange of India Ltd.,**  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400051

**SYMBOL: SHUBHLAXMI**

Dear Sir / Madam,

**Sub.: 3<sup>rd</sup> Annual Report pursuant to Regulation 34 of the Securities & Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject and pursuant to provision of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year ended on 31<sup>st</sup> March, 2021 together with the Notice of the 3<sup>rd</sup> Annual General Meeting of the Company to be held on Thursday, 30<sup>th</sup> day of September, 2021 at 1:30 P.M. at the Registered Office of the company.

Further, the Register of Member and Share Transfer Book shall remain close from Friday, 24<sup>th</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021 (Both days inclusive) for the purpose of 3<sup>rd</sup> Annual General Meeting.

Kindly take the same on your record and display the same on the website of your stock exchange.

**Yours Faithfully,**

**For, SHUBHLAXMI JEWEL ART LIMITED**

**Narendrasinh Jesingbhai Chauhan**

**MANAGING DIRECTOR**

**DIN: 08123747**



**Regd Office :** D & I Excelus,  
Opp. Home School, Waghawadi Road,  
Bhavnagar - 364002, Gujarat, India

Phone No.: 0278 2562600  
Mobile No.: +91 95373 61111  
WhatsApp : +91 95374 61111

Email : info@shubhlaxmilttd.in  
Web : www.shubhlaxmilttd.in

**PAN : ABACS2500B**

**GSTN : 24ABACS2500B129**

**TAN : AHMS33086E**

Subject to Bhavnagar Jurisdiction



*SHUBHLAXMI JEWEL ART LIMITED*

*ANNUAL REPORT*

*FINANCIAL YEAR 2020-2021*



*ANNUAL REPORT*  
*2020-2021*

## CONTENTS

| Sr. No.  | Particulars                                      |
|--|--|
| 1.   | Corporate Information                            |
| 2.   | Chairman's Message                               |
| 3.   | Notice of AGM                                    |
| 4.   | Director Report                                  |
| 5.   | Annexure to Director Report                      |
| 6.   | Management Discussion and Analysis               |
| <b>FINANCIAL STATEMENTS FOR THE YEAR ENDED</b> |  |
| <b>MARCH 31, 2021</b>                          |  |
| 7.   | Independent Auditor Report                       |
| 8.   | Balance Sheet as on 31 <sup>st</sup> March, 2021 |
| 9.   | Statement of Profit & Loss                       |
| 10.  | Cash Flow Statement                              |
| 11.  | Notes to Financial Statement                     |
| 12.  | Attendance Slip                                  |
| 13.  | Proxy Form                                       |
| 14.  | Route Map to the Venue                           |

## CORPORATE INFORMATION

---

**CIN: L45100GJ2018PLC102121**

### BOARD OF DIRECTORS

Mr. Narendrasinh Jesingbhai Chauhan – Chairman and Managing Director  
Mrs. Jagrutiben Narendrasinh Chauhan – Executive Director  
Mrs. Snehal Jigneshbhai Jani – Independent Director  
Mr. Rakesh Mahendrabhai Soni – Independent Director  
Mr. Bhadreshkumar Rameshchandra Dave – Independent Director  
(Resigned on 27.07.2020)

### CHIEF FINANCIAL OFFICER

Mr. Ranjitsinh Gambhirsinh Solanki

### COMPANY SECRETARY

CS Ashmi Ketankumar Patel

### STATUTORY AUDITOR

M/s. Sanghavi & Co.  
Chartered Accountant

### SECRETARIAL AUDITOR

M/s. Parth Nair & Associates  
Company Secretaries

### REGISTERED OFFICE:

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

### Correspondence Details for Investors

### LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, L.B.S. Marg,  
Vikhroli(West), Mumbai – 400083, India  
Vikhroli (West), Mumbai- 400 083, India  
Tel: 022-49186200; Fax: 022-49186195;  
Email: [shubhlaxmi.ipo@linkintime.co.in](mailto:shubhlaxmi.ipo@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### SHUBHLAXMI JEWEL ART LIMITED

Compliance Officer  
Shop No. 1, Ground Floor, “D & I Excelus”,  
Waghawadi Road,  
Bhavnagar – 364002,  
Gujarat, India  
Email: [cs@shubhlaxmilttd.in](mailto:cs@shubhlaxmilttd.in)

## **BOARD COMMITTEES**

### **AUDIT COMMITTEE**

Rakesh Mahendrabhai Soni(Chairman)  
Snehal Jigneshbhai Jani  
Bhadreshkumar Rameshchandra Dave  
Narendrasinh Jesingbhai Chauhan

### **NOMINATION AND REMUNERATION COMMITTEE**

Snehal Jigneshbhai Jani(Chairman)  
RakeshMahendrabhaiSoni  
Bhadreshkumar Rameshchandra Dave

### **STAKEHOLDER RELATIONSHIP COMMITTEE**

Rakesh Mahendrabhai Soni (Chairman)  
Snehal Jigneshbhai Jani  
Bhadreshkumar Rameshchandra Dave  
Narendrasinh Jesingbhai Chauhan

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

ISIN(EQUITYSHARE):INE01Z401013

NSESYMBOL: SHUBHLAXMI

## MESSAGE FROM THE CHAIRMAN

**Greetings from SHUBHLAXMI!**

**I am delighted to once again be a bearer of good news and report another year of good performance at your company**

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Impact of COVID-19 pandemic outbreak effects on Indian economy;
- Any increase in Indian interest rates or inflation;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India;
- Prevailing income conditions among Indian consumers and Indian corporations

Our people strategy has always been to recruit and retain people with leadership qualities. We invest in our people and believe they are one of the major reasons for our success. We believe that growth of our people precedes the growth of the company. We promote leadership within our ranks by offering people greater responsibility with the freedom to perform to their best.

During the year, your company has significantly poured efforts and as a result of which the operations of the income are increasing day by day. The company is making constant efforts to penetrate more in the market.

I would like to thank all my colleagues for their dedication, innovation and hard work. By setting new standards in businesses, we operate in, our team is delivering on our mission to generate sustainable value for our stakeholders. These efforts also help us to deliver inclusive growth converging in to value creation and make life better for everyone.

I take this opportunity to express my sincere thanks to all the shareholders for their continued trust in the Board of Directors and the Management of the Company. On behalf of the Company, I would also like to thank all our stakeholders, customers, dealers, suppliers, other business associates, the Government and regulatory agencies and employees for their invaluable support and co-operation in the year gone by and expect similar support in the years to come.

**Thank You**

**Sd/-**

**Narendrasinh Jesingbhai Chauhan**

**(DIN: 08123747)**

**Chairman & Managing Director**

## NOTICE

NOTICE is hereby given that the THIRD (3<sup>RD</sup>) ANNUAL GENERAL MEETING of SHUBHLAXMII JEWEL ART LIMITED, CIN: L45100GJ2018PLC102121 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 30, 2021 at 1.30 P.M. to transact the following business;

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2021, together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director, Mrs. Jagrutiben Narendrasinh Chauhan (DIN: 08127789) who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

#### 3. Appointment of Mr. Ankurbhai Prabhani (DIN: 09307275) as Director of company:

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Ankurbhai Prabhani (DIN: 09307275), be and is hereby appointed as Non-Executive Non-Independent Director of the company, liable to retire by rotation, with effect from the date of this meeting.”

#### 4. Increase in Authorized Share Capital:

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

**“RESOLVED THAT** pursuant to the provisions of sections 61(1) and other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the company be and is hereby accorded to increase the Authorised Capital of the Company from Rs. 8,50,00,000/- (Rupees Eight Crore Fifty Lacs) divided into 85,00,000 equity shares of Rs. 10/- each to Rs. 11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 equity shares of Rs. 10/- each, ranking pari passu with the existing equity shares.”

**“RESOLVED FURTHER THAT** any of the Director of the Company, be and is hereby authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

## 5. Alteration in Capital Clause of Memorandum of Association:

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and any other applicable provisions of Companies Act, 2013, the consent of the members of the company be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with following clause:

V. The Share Capital of the Company is Rs. 11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lacs) equity shares of Rs. 10/- each.

**“RESOLVED FURTHER THAT** any of the Director of the Company, be and is hereby authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

## 6. Issue of warrants on preferential basis:

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

**“RESOLVED THAT** pursuant to the provisions of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force and hereinafter collectively referred as “Act”), provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “ICDR Regulations”) as amended and any other Rules/ Regulations/ guidelines, if any, prescribed by the Securities and Exchange Board of India, Stock Exchanges and/ or any other statutory/regulatory authority, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to create, offer, issue and allot from time to time in one or more tranches, up to 23,00,000 (Twenty Three Lacs) warrants (hereinafter referred to as “convertible warrants”) of the Company, at a price of Rs. 12/- per warrant each convertible into 1 (One) Equity share of face value of Rs. 10/- each at premium of Rs. 2/- each to not more than Rs. 2,76,00,000/- (Rupees Two Crore Seventy Six Lacs Only) to the proposed allottees as mentioned below on preferential basis for cash in form and in a manner and in accordance with the provisions of SEBI (ICDR) Regulations and other applicable laws on such terms and conditions as the Board may, in its absolute discretion think fit and without requiring any further approval and consent from the members.”

| Sr No | Name of the proposed allottee(s)    | Category              | No. of convertible warrants to be allotted |
|-------|-------------------------------------|-----------------------|--|
| 1     | Mr. Narendrasinh Jesingbhai Chauhan | Promoter              | 18,00,000                                  |
| 2     | Mr. Kaushik Joshi                   | Public (Non-Promoter) | 1,00,000                                   |
| 3     | Mr. Sanjay Dave                     | Public (Non-Promoter) | 80,000                                     |
| 4     | Ms. Kinnari Dave                    | Public (Non-Promoter) | 80,000                                     |
| 5     | Mr. Viral Mori                      | Public (Non-Promoter) | 80,000                                     |
| 6     | Mr. Mayur Mori                      | Public (Non-Promoter) | 80,000                                     |
| 7     | Mr. Mayur Joshi                     | Public (Non-Promoter) | 80,000                                     |
|       | <b>TOTAL</b>                        |                       | <b>23,00,000</b>                           |

**“RESOLVED FURTHER THAT** in accordance with the provisions of SEBI (ICDR) Regulations, the “Relevant Date” for the purpose of calculating the price of Convertible warrants/Resultant Equity Shares to be issued in terms hereof shall be 31 August, 2021 being the date 30 days prior to the date of this Annual General Meeting scheduled as per regulation 161 of SEBI (ICDR) Regulations, 2018 as amended from time to time).”

**“RESOLVED FURTHER THAT** without prejudice to the generality of the above, issue of warrants convertible into equity shares shall be subject to the following terms:

- A. The warrants by itself do not give to the warrants holder any rights of the shareholders of the Company.
- B. The proposed Warrants shall be issued and allotted by the Company to proposed allottee within a period of fifteen (15) days from the date of passing of this resolution provided that where the issue and allotment of the proposed Warrants is pending on account of pendency of any approval for such issue and allotment by any regulatory authority, the issue and allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals, if any.
- C. Each Warrant is convertible into 1 (One) Equity Share and the conversion can be exercised by warrant holder at any time during the period of Eighteen(18) months from the date of allotment of Warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable;
- D. The Warrants proposed to be issued shall be subject to appropriate adjustment, if during the interim period, the Company makes any issue of equity shares by way of capitalization of profits or reserves, upon demerger / realignment, rights issue or undertakes consolidation / sub-division / re-classification of equity shares or such other similar events or circumstances requiring adjustments as permitted under SEBI (ICDR) Regulations and all other applicable regulations from time to time;

- E. The warrant holder shall pay an amount equivalent to at least 25% of the price fixed per warrant in terms of the SEBI (ICDR) Regulations on or before the allotment of warrants. If the option to acquire equity shares pursuant to conversion of warrants is not exercised within the prescribed time period of 18 months from the date of allotment of warrants then such warrants shall be lapsed and the amount paid under this clause shall be forfeited by the Company. Upon exercise of the option of conversion of the warrants into Equity shares by the warrant holder, the price equivalent to 75% of the issue price per warrant shall be payable at the time of exercising the right of conversion of warrants.
- F. The consideration price of the warrants, if paid in cash, shall be received from allottee's bank account.
- G. The warrant holder(s) shall be entitled to the option of exercising any or all of the Warrants in one or more tranches by way of a written notice which shall be given to the Company, specifying the number of Warrants proposed to exercise along with the aggregate amount payable thereon, prior to or at the time of conversion. The Company shall accordingly, without any further approval from the Members of the Company, issue and allot the corresponding number of Equity Shares and perform such actions as required to credit the Equity Shares to the depository account and entering the name of allottee in the records of the Company as the registered owner of such Equity Shares;
- H. The Equity Shares to be so allotted on exercise of option of conversion of Warrants shall be in dematerialised form and shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend with the existing equity shares of the Company;
- I. The Equity Shares arising from the exercise of the option of conversion of Warrants will be listed on Stock Exchange where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be and shall inter alia be governed by the regulations and guidelines issued by SEBI or any other statutory authority;
- J. The Warrants and the Equity Shares being allotted pursuant to exercise of option of conversion of Warrants shall be subject to a lock-in for such period as specified under applicable provisions of SEBI (ICDR) Regulations.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of equity shares as it may be required to be issued and allotted upon conversion of the warrants and that the said equity shares shall be subject to the Memorandum and Articles of Association of the Company and shall, subject to any subsisting conditions of the warrants, rank pari-passu in all respect with existing equity shares of the Company.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Managing Director and / or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, desirable and expedient for such purpose, including but without limitation, to prescribe the forms of application, allotment, entering into contracts, arrangements, documents, in connection therewith and incidental thereto without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the convertible warrants and utilization of proceeds of the convertible warrants, take all other steps which may be incidental, consequential, relevant or ancillary in this connection.”

**“RESOLVED FURTHER THAT** any Managing Director and / or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary to give effect to the aforesaid resolution including but without limitation to making application to Stock Exchange for obtaining in-principle approval, listing approval of Securities, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions / queries and difficulties that may arise in the proposed issue, offer and allotment of the Securities and delegate all or any of the powers herein conferred by above resolution to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person.”

**Date: 08.09.2021**  
**Place: Bhavnagar**

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

**Sd/-**  
**CS Ashmi Patel**  
**Company Secretary & Compliance Officer**  
**ACS 53451**

**Registered Office:**  
**CIN: L45100GJ2018PLC102121**  
**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 regarding 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, 24<sup>th</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021 (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 authorized 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 Authorized 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 2020-2021 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 as on end of September 3, 2021.
12. Electronic copy of the Annual report for the year 2020-2021 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 2021-2022.
14. Notice of the AGM along with the Annual Report 2020-2021 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 2020-2021 will also be available on the Company's website [www.shubhlaxmiltd.in](http://www.shubhlaxmiltd.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 3rd 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.shubhlaxmiltd.in](http://www.shubhlaxmiltd.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 3rd Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for the year 2020-2021 will also be available on the website of Company [www.shubhlaxmiltd.in](http://www.shubhlaxmiltd.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: 08.09.2021**

**Place: Bhavnagar**

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

**Sd/-**

**CS Ashmi Patel**

**Company Secretary & Compliance Officer**

**ACS 53451**

**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 related to Special Business mentioned in the accompanying notice for convening the Annual General Meeting of the members of the company

**Item No 3:**

The Board of Directors of the company, on recommendation of Nomination & Remuneration Committee is proposing the appointment of Mr. Ankurbhai Prabtani (DIN: 09307275) as Non-Executive Non-Independent Director of the company, liable to retire by rotation, with effect from this meeting.

The Board is recommending the said appointment for approval of members of the company as set out in the resolution relating to his appointment.

Mr. Ankurbhai Prabtani does not hold any shares in the company, either in his individual capacity or on a beneficial basis for any other person.

Mr. Ankurbhai Prabtani and his relatives are interested in this resolution. None of the Directors or Key Managerial Personnel of the company are interested in this resolution.

The Board recommends this resolution for your approval.

**Item No. 4 and 5:**

The Company is a Public Listed Company and presently, the Authorized Share capital of the Company is Rs. 8,50,00,000 (Rupees Eight Crores Fifty Lacs Only) divided into 85,00,000 (Eight Five Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten) each.

In order to expand the Capital base for infusion of additional funds by way of share capital your Directors proposes to issue further shares. It is therefore proposed to increase the authorized capital from the existing 8,50,00,000/- (Rupees Eight Crore Fifty Lacs Only) divided into 85,00,000 (Eighty Five Lacs) Equity Shares of Rs.10/- (Rupees Ten) to Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided into 1,10,00,000 (One Crore Ten Lacs Only) Equity Shares of Rs.10/- each by creation of additional 25,00,000 (Twenty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each ranking pari passu in all respect with the existing Equity Shares of the Company.

The increase in the authorized share capital requires the prior approval of the Shareholders of the Company pursuant to the Section 61 of the Companies Act, 2013. Consequently, it is proposed to make appropriate alterations in the Memorandum of Association of the Company to reflect the changes in the Authorized Share Capital of the Company.

As such, approval of the shareholders is being sought by way of ordinary and special resolution for increase in authorized share capital and alterations of “Capital Clause” of the Memorandum of Association of the Company.

None of the Directors of the Company and their relatives are concerned or interested in the aforesaid resolutions.

**Item No. 6:**

Our Company is mainly engaged in the business of manufacturing and trading of jewellery, silver utensils, diamond, precious stones, antiques and objects of art, metals, bullion and other related activities. Your directors have thought it advisable to raise fund to meet its fund requirements for future expansion and growth of the company by way of issue of warrants / equity shares and hence it is proposed to issue warrants as stated in the resolution.

Pursuant to provisions of Section 42 and 62 (1)(c) of Companies Act, 2013 (the “Act”) and Regulation 160 of SEBI (ICDR) Regulations, 2018 any preferential allotment of Securities needs to be approved by the shareholders by way of a Special Resolution.

The consent of the shareholders is being sought by way of a special resolution to enable the Board to issue and allot convertible warrants as may be permitted under applicable laws to the proposed allottees as mentioned in the resolution in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder, SEBI (ICDR) Regulations, as amended, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws, including with respect to the pricing of the securities proposed to be issued.

The proposed allottees of convertible warrants has not sold any equity shares of the Company during six months preceding the Relevant Date i.e. Tuesday, 31<sup>st</sup> August, 2021. In compliance with the above mentioned provisions, the Board of Directors proposes to pass resolution as set in the notice for approval of Shareholders’ as a Special Resolution. The disclosures in accordance with the Companies Act, 2013, and the other disclosures as per the SEBI (ICDR) Regulations and the other applicable provisions of law, in relation to the Special Resolution set out in the accompanying Notice are as follows:

**i) The objects of the preferential issue:**

The proceeds of the proposed issue will be utilized for any one or in combination with any one or more of the purposes such as to augment the fund or to augment the net worth of the Company and to form a capital base for business growth, to meet the long term fund requirements of the Company, to repay the debt of the Company for capital expenditure to be incurred for expansion and new product addition, to meet working capital requirements, to improve the capital structure and for general corporate purpose.

**ii) The total number of securities to be issued, pricing and relevant date:**

It is proposed to issue and allot upto 23,00,000 convertible warrants at a price of Rs. 12/- per warrant, each convertible into 1 (One) equity share of face value of Rs. 10/- each at premium of Rs. 2/- each aggregating to not more than Rs. 2,76,00,000/- to the proposed allottee. The price of each equity share to be issued in lieu of Warrants is fixed at Rs.12/- (Rupees Twelve Only) per share as determined in terms of SEBI (ICDR) Regulations on the basis of the Relevant

Date. Further, the Company undertakes to re-compute the price of the equity shares, if at all required, in terms of the provisions of these regulations where it is required to do so. If the amount payable on account of the re-computation, if required, of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked-in till the time such amount is paid by the allottees. The relevant date determined in accordance with the SEBI (ICDR) Regulations is Tuesday, 31<sup>st</sup> August, 2021.

**iii) Basis on which the price is arrived at:**

The equity shares of Company are listed on NSE SME Limited and are not frequently traded in accordance with SEBI (ICDR) Regulations. In terms of the applicable provisions of SEBI (ICDR) Regulations the price at which Warrants shall be allotted shall not be less than higher of the following:

- ✓ Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the Twenty Six (26) weeks preceding the Relevant Date; or
- ✓ Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the Stock Exchange, during the Two (2) weeks preceding the Relevant Date.

The pricing of the Warrants to be allotted on preferential basis is Rs. 12/- per convertible warrants to be converted into equivalent number of Equity Share of face value of Rs. 10/- each, at premium of Rs. 2/- each which is not lower than the price determined in accordance with applicable provisions of SEBI (ICDR) Regulations.

**iv) Shareholding pattern before and after the Preferential issue:**

| Sr No      | Category of shareholding                                     | Pre Issue           |                          | Post issue          |                          |
|------------|--|---------------------|--------------------------|---------------------|--------------------------|
|            |  | Total no. of shares | % of total no. of shares | Total no. of shares | % of total no. of shares |
| <b>(A)</b> | <b>Shareholding of Promoter and Promoter Group</b>           |                     |                          |                     |                          |
|            | <b>1. Indians</b>  |                     |                          |                     |                          |
|            | Individuals / HUF  | 57,90,000           | 69.73%                   | 75,90,000           | 71.58%                   |
|            | Bodies Corporate   | NIL                 | -                        | NIL                 | -                        |
|            | <b>Sub Total (A) (1)</b>                                     | <b>57,90,000</b>    | <b>69.73%</b>            | <b>75,90,000</b>    | <b>71.58%</b>            |
|            | <b>2. Foreign</b>  |                     |                          |                     |                          |
|            | Individuals (Non Resident Individuals / Foreign Individuals) | NIL                 | -                        | NIL                 | -                        |
|            | <b>Sub Total (A) (2)</b>                                     | <b>NIL</b>          | <b>-</b>                 | <b>NIL</b>          | <b>-</b>                 |
|            | <b>SUB TOTAL (A)</b>   | <b>57,90,000</b>    | <b>69.73%</b>            | <b>75,90,000</b>    | <b>71.58%</b>            |
| <b>(B)</b> | <b>Public Shareholdings</b>                                  |                     |                          |                     |                          |
|            | <b>1. Institutions</b>                                       | NIL                 | -                        | NIL                 | -                        |
|            | <b>Sub Total (B) (1)</b>                                     | <b>NIL</b>          | <b>-</b>                 | <b>NIL</b>          | <b>-</b>                 |

|  |   |                  |               |                    |               |
|--|---|------------------|---------------|--------------------|---------------|
|  | <b>2. Non Institutions Individual</b>   |                  |               |                    |               |
|  | a) Individual shareholders holding nominal share capital up to Rs. 2 lakhs                  | 15,23,000        | 18.34%        | 15,23,000          | 14.36%        |
|  | b) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs           | 7,22,000         | 8.69%         | 12,22,000          | 11.53%        |
|  | <b>Any other (Specify)</b>  |                  |               |                    |               |
|  | a) HUF  | 2,52,000         | 3.03%         | 2,52,000           | 2.38%         |
|  | b) Bodies Corporates  | 17,000           | 0.21%         | 17,000             | 0.15%         |
|  | c) NRIs   | NIL              | -             | NIL                | -             |
|  | d) Clearing members   | NIL              | -             | NIL                | -             |
|  | e) Directors or Directors relatives   | NIL              | -             | NIL                | -             |
|  | <b>Sub Total (B) (2)</b>  | <b>25,14,000</b> | <b>30.27%</b> | <b>30,14,000</b>   | <b>28.42%</b> |
|  | <b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>                                       | <b>25,14,000</b> | <b>30.27%</b> | <b>30,14,000</b>   | <b>28.42%</b> |
|  | <b>(C) Shares held by custodians and against which depository receipts have been issued</b> | NIL              | -             | NIL                | -             |
|  | <b>Sub Total ( C)</b>   | NIL              | -             | NIL                | -             |
|  | <b>Grand Total (A + B + C)</b>  | <b>83,04,000</b> | <b>100%</b>   | <b>1,06,04,000</b> | <b>100%</b>   |

**Note:**

- ✓ The post issue shareholding pattern in the above table has been prepared on the basis that the proposed allottees would have subscribed to and been allotted all the Equity Shares resulting from the exercise of option of conversion of warrants. In the event for any reason, the proposed allottee does not or is unable to subscribe to and/or are not allotted the Equity Shares, the shareholding pattern in the above table would undergo corresponding changes.
- ✓ The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management / control of the Company as a result of the proposed allotment and conversion of the warrants into Equity shares.

**v) Intention of Promoters / Directors / Key Managerial Personnel to subscribe to the preferential issue:**

Mr. Narendrasinh Jesingbhai Chauhan, Promoter, who is also Director on the board of the Company, belonging to Promoter Group has shown his intent to subscribe to the convertible warrants proposed to be issued by the Company. Apart from them no other Promoter & Promoter Group / Directors / Key Managerial personnel of the Company intend to subscribe to the Warrants under the Preferential Issue. The proposed allotment of convertible warrants is also to be made to the proposed allottees as mentioned in the resolution who are belonging to the category other than promoters.

**vi) Proposed time limit within which the proposed preferential issue shall be completed:**

The allotment of convertible warrants shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders, provided that where the allotment is

pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of receipt of such last approvals.

**vii) Change in control, if any, in the company that would occur consequent to the preferential offer:**

There shall be no change in the management or control of the Company pursuant to the proposed issue and allotment of convertible warrants including conversion thereof into equity.

**viii) No. of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

Save and except the preferential issue as proposed in the resolution as set in the accompanying Notice, the Company has not made any other issue or allotment of securities on preferential basis during the year 2020-21 and during the period from 1 April, 2021 till the date of this notice.

**ix) Valuation for consideration other than cash:**

As the proposed preferential allotment is to be made for cash, the said provision will not be applicable.

**x) Lock-in:**

The warrants and equity shares to be allotted upon exercise of option of conversion by the warrant holder shall be subject to lock-in for such period as specified under the provisions of relevant Regulation(s) of SEBI (ICDR) Regulations.

**xi) Listing:**

The Company will make an application to the Stock Exchange at which the existing shares are already listed, for listing of the equity shares which will be issued on conversion of Warrants. Such Equity Shares, once allotted, shall rank pari-passu with the existing equity shares of the Company in all respects, including dividend.

**xii) Auditor's Certificate:**

A copy of certificate from Statutory Auditors of the Company certifying that the present proposed preferential allotment is being made in accordance with the requirements contained in SEBI (ICDR) Regulations, 2018 as amended from time to time and will be placed and made available before the shareholders of the Company at Annual General Meeting and will also be open for inspection by the members at the registered office of the Company between 11.00 AM to 5.00 P.M. between Monday to Friday of every week upto the date of Annual General Meeting.

**xiii) Other Disclosures / Undertakings:**

- ✓ It is hereby confirmed that neither the company nor its directors and to the company's knowledge and any of its promoters are wilful defaulter.
- ✓ The proposed allottee(s) have not sold any equity shares during the 6 months preceding the relevant date.

xiv) **Identity of Proposed Allottee (including natural persons who are the ultimate beneficial owners of equity shares proposed to be allotted and/or who ultimately control), the percentage (%) of Post Preferential Issue Capital that may be held by them and Change in Control, if any, consequent to the Preferential Issue:**

| Sr No | Name of the proposed allottee(s) | Category     | The identity of the natural persons who are ultimate beneficial owners of the equity shares proposed to be allotted and / or who ultimately control the proposed allottee | Holding Pre – Preferential Issue |       | No. of convertible warrants to be allotted | Holding / Post Preferential issue after conversion of warrants (*) |       |
|-------|----------------------------------|--------------|---|----------------------------------|-------|--|--|-------|
|       |                                  |              |   | No. of shares                    | %     |  | No. of shares  | %     |
| 1     | Narendrasinh Chauhan             | Promoter     | Same as proposed allottee being natural person  | 20,89,140                        | 25.16 | 18,00,000                                  | 38,89,140  | 36.68 |
| 2     | Kaushik Joshi                    | Non Promoter | Same as proposed allottee being natural person  | NIL                              | 0     | 1,00,000                                   | 1,00,000   | 0.94  |
| 3     | Sanjay Dave                      | Non Promoter | Same as proposed allottee being natural person  | NIL                              | 0     | 80,000                                     | 80,000   | 0.75  |
| 4     | Kinnari Dave                     | Non Promoter | Same as proposed allottee being natural person  | NIL                              | 0     | 80,000                                     | 80,000   | 0.75  |
| 5     | Viral Mori                       | Non Promoter | Same as proposed allottee being natural person  | NIL                              | 0     | 80,000                                     | 80,000   | 0.75  |
| 6     | Mayur Mori                       | Non Promoter | Same as proposed allottee being natural person  | NIL                              | 0     | 80,000                                     | 80,000   | 0.75  |
| 7     | Mayur Joshi                      | Non Promoter | Same as proposed allottee being natural person  | NIL                              | 0     | 80,000                                     | 80,000   | 0.75  |

## ANNEXURE

Brief profile of director seeking Re-appointment in forthcoming Annual General Meeting (3<sup>rd</sup> AGM)

|  |  |
|--|--|
| Name of Director   | Jagrutiben Narendrasinh Chauhan                  |
| Date of Birth  | 27/07/1980                                       |
| Date of Appointment  | 02/05/2018                                       |
| Education Qualification  | Bachelor of Commerce                             |
| Disclosure of relationship between directors inter-se              | Mr. Narendrasinh Jesingbhai Chauhan<br>(Husband) |
| List of public companies in which Directorship held                | NIL  |
| Chairman / Member of the committee                                 | NIL  |
| Chairman / Member of the committee of Directors of other Companies | NIL  |
| No. of shares held in this company                                 | 7,94,600 shares                                  |

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 3<sup>rd</sup> Board Report of Shubhlaxmi Jewel Art Limited along with the Audited Financial Statements for the year ended on March 31, 2021.

### 1. FINANCIAL RESULTS:

The financial performance of your company for the Financial Year ended on March 31, 2021 is given below:

(Amount in Indian Rupees)

| The brief financial results are as under | FY 2020-2021        |
|--|---------------------|
| Revenue from Operations                  | 29,16,30,811        |
| ADD: Other Income                        | 5,00,000            |
| <b>Total Revenue (A)</b>                 | <b>29,21,30,811</b> |
| <b>EXPENSES</b>                          |                     |
| Employee Benefit Expenses                | 1,55,73,081         |
| Finance Cost                             | 58,42,020           |
| Depreciation                             | 14,80,591           |
| Other Expenses                           | 1,77,69,857         |
| <b>Total Expenses (B)</b>                | <b>27,10,19,148</b> |
| Profit before Tax (A) – (B)              | 2,11,11,663         |
| Less: TAX Expense                        | 51,75,070           |
| Profit after Tax                         | 1,59,36,593         |
| Earnings per Share                       | 1.92                |

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

Your Company has reported total income of Rs. 29,21,30,811/- for the Financial Year ended March 31, 2021 and the net profit after tax for the year under review amounted to Rs. 1,59,36,593/-.

### 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. ANNUAL RETURN:

The details forming part of "Annual Return" in Form MGT-7, as required under Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is made available on the website of the company i.e. [www.shubhlaxmilttd.in](http://www.shubhlaxmilttd.in).

## **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 Companies Act requirement.

## **6. DIRECTOR'S 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, 2021, 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 judgements 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, 2021 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 on its equity shares for the financial year 2020-2021.

## **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. 1,59,36,593/- 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, or provide any guarantee but has advanced loans. The same is under the limits as approved by the members of the company and is in compliance with 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 and Joint Venture company for financial year 2020-2021:**

Company does not have any Subsidiary and Joint venture company. The Associates of the company are M/s. Jesingbhai Jewellers and M/s. Niksha Jewellers.

M/s. Niksha Jewellers became associate of the company during the year. There was no company which have ceased to be Subsidiary, Associate, JVs company during the year. Performance and

financial position of the Subsidiary and Joint Venture company / ies are not to be given because such companies does not exist.

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

There were no 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.

#### **15. AUDITORS:**

##### ***STATUTORY AUDITORS:***

The Company appointed M/s. Sanghavi & Co., Chartered Accountants, Bhavnagar as Statutory Auditors of the Company on the conclusion of the 1<sup>st</sup> Annual General Meeting till the conclusion of the sixth annual general meeting i.e. from 2019-2020 to 2023-2024.

##### ***SECRETARIAL AUDITOR:***

Your Company had appointed M/s. Parth Nair & Associates, Ahmedabad as Secretarial Auditor for the Financial Year ended March 31, 2021 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 2021-22.

##### ***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 Secretarial Auditors in their report for the year ended 31<sup>st</sup> March 2021. However, statutory auditor had reported following qualified opinion in their report for the year ended 31<sup>st</sup> March 2021.

| <b>Auditor's Qualified Opinion</b>  | <b>Board's Comment on Qualified Opinion</b>  |
|---|--|
| Due to Covid pandemic and other factors, physical verification of inventories was not carried out by the auditors | Due to Covid Pandemic and government restrictions, your company was not in a position to get the inventories physically verified. However no false statement and explanations have been made by the management to the auditor. |

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 2020-21 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 utilizing 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. DIRECTOR AND KEY MANAGERIAL PERSONNEL:**

There were changes in the Board of Directors of the company in the financial year 2020-21. 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:*

| Sr No. | Name of Director                    | Designation                       | Position in the Committee |
|--------|-------------------------------------|-----------------------------------|---------------------------|
| 1      | Rakesh Mahendrabhai Soni            | Independent Director              | Chairman                  |
| 2      | Snehal Jigneshbhai Jani             | Independent Director              | Member                    |
| 3      | Bhadreshkumar<br>Rameshchandra Dave | Independent Director              | Member                    |
| 4      | Narendrasinh Jesingbhai<br>Chauhan  | Chairman cum<br>Managing Director | Member                    |

### *Nomination and Remuneration Committee:*

| Sr No. | Name of Director                    | Designation          | Position in the Committee |
|--------|-------------------------------------|----------------------|---------------------------|
| 1      | Snehal Jigneshbhai Jani             | Independent Director | Chairman                  |
| 2      | Rakesh Mahendrabhai Soni            | Independent Director | Member                    |
| 3      | Bhadreshkumar<br>Rameshchandra Dave | Independent Director | Member                    |

### *Stakeholder Relationship Committee:*

| Sr No. | Name of Director                    | Designation                       | Position in the Committee |
|--------|-------------------------------------|-----------------------------------|---------------------------|
| 1      | Rakesh Mahendrabhai Soni            | Independent Director              | Chairman                  |
| 2      | Snehal Jigneshbhai Jani             | Independent Director              | Member                    |
| 3      | Bhadreshkumar<br>Rameshchandra Dave | Independent Director              | Member                    |
| 4      | Narendrasinh Jesingbhai<br>Chauhan  | Chairman cum<br>Managing 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.shubhlaxmilttd.in](http://www.shubhlaxmilttd.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, 2021. 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 2021 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 2021 is Rs. 8,30,40,000/- divided into 83,04,000 Equity Shares of Rs.10/- each fully paid up.

## **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 FEES:**

Your Company has paid Annual Listing Fee for the financial year 2021-2022 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 2021-2022.

## **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, 2021) 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.

### **APPRECIATIONS & 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: 08.09.2021  
Place: Bhavnagar



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

| <b>Annexures</b>  | <b>Description</b>                    |
|-------------------|---------------------------------------|
| <b>Annexure A</b> | Secretarial Audit Report in Form MR 3 |
| <b>Annexure B</b> | Management Discussion and Analysis    |



**FORM NO MR – 3**

**SECRETARIAL AUDIT REPORT**

**(For the financial year ended 31<sup>st</sup> March, 2021)**

**[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, 2021 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, 2021 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;
  - j) Other Specifically applicable laws to the company.

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. However in order to properly constitute Nomination & Remuneration Committee and Stakeholder Relationship Committee, appointment of Non-Executive Non-Independent Director has been set forth in this Notice for approval of members of the company so that the Board is duly constituted. 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 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/-  
Parth Nair  
Company Secretary**

**Place: Ahmedabad  
Date: 08.09.2021  
C P No.: 17278  
UDIN: A046802C000921711**

**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 2021, 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 2020-2021 was Rs. 29,16,30,811/-. The segment wise revenue and results of the company as on March 31, 2021 are as under:

**(Rupees)**

| <b>Revenue</b>                            | <b>Amount</b>         |
|---|-----------------------|
| Domestic Sales                            | 29,16,30,811/-        |
| <b>Net Sales / Income from Operations</b> | <b>29,16,30,811/-</b> |

|  |                      |
|--|----------------------|
| <b>Segment Results:</b>                          |                      |
| Profit before tax and interest from each segment | 2,11,11,633/-        |
| <b>Net Profit for the year</b>                   | <b>1,59,36,593/-</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, 2021.

## 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>Brief Financial results are as under</b> | <b>FY 2020-2021</b> |
|---|---------------------|
| Revenue from Operations                     | 29,16,30,811        |
| Add: Other Income                           | 5,00,000            |
| <b>Total Revenue (A)</b>                    | <b>29,21,30,811</b> |
| <b>EXPENSES</b>                             |                     |
| Employee benefit expense                    | 1,55,73,081         |
| Finance Cost                                | 58,42,020           |
| Depreciation                                | 14,80,591           |
| Other Expense                               | 1,77,69,857         |
| <b>Total Expense (B)</b>                    | <b>27,10,19,148</b> |
| <b>Profit before tax (A) – (B)</b>          | <b>2,11,11,663</b>  |
| Less: Tax Expense                           | 51,75,070           |
| <b>Profit after tax</b>                     | <b>1,59,36,593</b>  |
| <b>Earnings per share</b>                   | <b>1.92</b>         |

## **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



**SHUBHLAXMI JEWEL ART LIMITED**

**B H A V N A G A R**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

---

**INDEPENDENT AUDITOR'S REPORT**

---

To

The Members of

SHUBHLAXMI JEWEL ART LIMITED

**Report on the Audit of the Financial Statements****Qualified 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 2021, 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, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph below*, 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 2021 and of the profit and its cash flows for the year ended on that date.

**Basis for Qualified Opinion**

Attention is invited to Note No. 21 regarding physical verification and valuation of the inventory and inadequate audit evidences in respect thereof. The impact on the profit for the year, if any, is not ascertainable.

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.

#### Revenue recognition

Revenue is measured net of discounts, incentives, rebates etc. earned by the customers on the Company's sales. Due to competitive business environment, discounts, incentives and rebates to be recognized based on sales made during the year is material.

#### Auditor's response:

Our audit approach was a combination of test of internal controls and substantive procedures including assessing the appropriateness of the Company's revenue recognition accounting policies and testing thereof; evaluating the integrity of the general information and control environment and testing the operating effectiveness of key controls.

#### **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, Shareholder's Information, but does not include the financial statements and auditor's report thereon.

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 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. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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.



**Auditor's 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 *except for information on inventories as stated in note no. 21;*
  - 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 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021, 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) Remuneration paid by the Company to its directors during the year is 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  
12<sup>th</sup> July, 2021



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 21043485AAAAAPW4340

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S 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 at reasonable intervals during the year and no material discrepancies were noticed on such 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 Term loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money during the year by way of public offer (including debt instruments).
- 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 Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- 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  
12<sup>th</sup> July, 2021



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 21043485AAAAAPW4340

---

**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S 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, 2021 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI"). 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.

**Auditor's 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 and the Standards on Auditing, issued by the 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, 2021, 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 issued by the ICAI.

Bhavnagar  
12<sup>th</sup> July, 2021



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 21043485AAAAAPW4340

**SHUBHLAXMI JEWEL ART LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2021**

(Amounts in Indian ₹)

| Particulars                      | Note No. | 31st March 2021     | 31st March 2020     |
|----------------------------------|----------|---------------------|---------------------|
| <b>EQUITY AND LIABILITIES ::</b> |          |                     |                     |
| <b>Shareholders' Funds</b>       |          |                     |                     |
| Share Capital                    | 2        | 8,30,40,000         | 8,30,40,000         |
| Reserves and Surplus             | 3        | 7,13,17,949         | 15,43,57,949        |
|                                  |          |                     | 5,53,81,356         |
|                                  |          |                     | 13,84,21,356        |
| <b>Non-Current Liabilities</b>   |          |                     |                     |
| Long-Term Borrowings             | 4        | 14,62,489           | 1,39,10,864         |
| Other Long Term Liabilities      |          | -                   | -                   |
| Long-Term Provisions             | 5        | 5,95,357            | 20,57,846           |
|                                  |          |                     | 4,82,347            |
|                                  |          |                     | 1,43,93,211         |
| <b>Current Liabilities</b>       |          |                     |                     |
| Short-Term Borrowings            | 6        | 4,24,98,503         | 5,02,12,367         |
| Trade Payables                   |          | 2,09,98,557         | 57,23,249           |
| Other Current Liabilities        | 7        | 2,64,98,299         | 1,84,34,022         |
| Short-Term Provisions            | 8        | 6,26,469            | 9,06,21,828         |
|                                  |          |                     | 4,32,945            |
|                                  |          |                     | 7,48,02,583         |
| <b>Total...</b>                  |          | <b>24,70,37,623</b> | <b>22,76,17,150</b> |
| <b>ASSETS ::</b>                 |          |                     |                     |
| <b>Non-Current Assets</b>        |          |                     |                     |
| Fixed Assets                     | 9        |                     |                     |
| Tangible Assets                  |          | 1,89,42,615         | 2,03,61,512         |
| Intangible Assets                |          | -                   | -                   |
| Capital Work-in-Progress         |          | -                   | -                   |
|                                  |          | 1,89,42,615         | 2,03,61,512         |
| Non-Current Investments          |          | -                   | -                   |
| Long-Term Loans and Advances     | 10       | 8,15,329            | 8,12,133            |
| Deferred Tax Assets (net)        |          | 1,85,000            | 1,13,000            |
| Other Non-current Assets         |          | -                   | 1,99,42,944         |
|                                  |          |                     | -                   |
|                                  |          |                     | 2,12,86,645         |
| <b>Current Assets</b>            |          |                     |                     |
| Current Investments              |          | -                   | -                   |
| Inventories                      | 11       | 20,83,33,150        | 18,82,78,270        |
| Trade Receivables                | 12       | 1,25,88,517         | 1,28,47,555         |
| Cash and Bank Balances           | 13       | 18,30,966           | 43,31,517           |
| Short-Term Loans and Advances    | 14       | 43,42,046           | 8,73,163            |
| Other Current Assets             |          | -                   | 22,70,94,679        |
|                                  |          |                     | -                   |
|                                  |          |                     | 20,63,30,505        |
| <b>Total...</b>                  |          | <b>24,70,37,623</b> | <b>22,76,17,150</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



JAGRUTIBEN CHAUHAN  
Director

ASHMI PATEL  
Company Secretary

For and on behalf of the Board of Directors

NARENDRASINH CHAUHAN  
Managing Director

RANJITSINH SOLANKI  
Chief Financial Officer

Bhavnagar  
12th July, 2021

Bhavnagar  
12th July, 2021

## SHUBHLAXMI JEWEL ART LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2021

(Amount in Indian ₹)

| Particulars  | Note No.  | 2020-2021           | 2019-2020           |
|--|-----------|---------------------|---------------------|
| <b>REVENUE :</b>   |           |                     |                     |
| Revenue from Operations  | 15        | 29,16,30,811        | 53,46,99,844        |
| Other Income   | 16        | 5,00,000            | -                   |
| Total Revenue  |           | <b>29,21,30,811</b> | <b>53,46,99,844</b> |
| <b>EXPENSES :</b>  |           |                     |                     |
| Materials and Direct Expenses  |           | -                   | -                   |
| Purchases of Stock in trade  |           | 25,05,96,010        | 46,51,42,551        |
| Changes in Inventories   | 17        | (2,02,42,411)       | 66,69,167           |
| Employee Benefit Expenses  | 18        | 1,55,73,081         | 1,66,92,055         |
| Finance Costs  | 19        | 58,42,020           | 72,75,532           |
| Depreciation and Amortization  |           | 14,80,591           | 13,98,586           |
| Other Expenses   | 20        | 1,77,69,857         | 2,15,16,784         |
| Total Expenses   |           | <b>27,10,19,148</b> | <b>51,86,94,675</b> |
| Profit before exceptional and extraordinary items and tax                          |           | 2,11,11,663         | 1,60,05,169         |
| Exceptional Items  |           | -                   | -                   |
| Profit before extraordinary items and tax  |           | <b>2,11,11,663</b>  | <b>1,60,05,169</b>  |
| Extraordinary Items  |           | -                   | -                   |
| Profit Before Tax  |           | 2,11,11,663         | 1,60,05,169         |
| Tax Expenses   |           |                     |                     |
| Current Tax  | 52,18,000 | 36,00,000           |                     |
| Earlier Years' Tax   | 29,070    | 13,490              |                     |
| Deferred Tax   | (72,000)  | 2,95,000            | 39,08,490           |
| Net Profit for the year  |           | <b>1,59,36,593</b>  | <b>1,20,96,679</b>  |
| Face Value per Equity Share  |           | 10.00               | 10.00               |
| Earnings per Equity Share  |           |                     |                     |
| Basic / Diluted  |           | <b>1.92</b>         | <b>1.46</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 AccountantsMANOJ GANATRA  
Partnerજગૃતિબેન ચૌહાણ  
JAGRUTIBEN CHAUHAN  
DirectorASHMI PATEL  
Company Secretary

For and on behalf of the Board of Directors

NARENDRASINH CHAUHAN  
Managing DirectorRanjitsinh Solanki  
RANJITSINH SOLANKI  
Chief Financial OfficerBhavnagar  
12th July, 2021Bhavnagar  
12th July, 2021

## SHUBHLAXMI JEWEL ART LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2021

(Amounts in Indian ₹)

| Particulars   | 2020-2021            | 2019-2020          |
|---|----------------------|--------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>        |                      |                    |
| Net Profit Before Tax And Extraordinary Items         | 2,11,11,663          | 1,60,05,169        |
| Adjustments for -                                     |                      |                    |
| Depreciation  | 14,80,591            | 13,98,586          |
| Interest  | 57,28,048            | 72,39,968          |
| Operating Profit Before Working Capital Changes       | 2,83,20,302          | 2,46,43,723        |
| Adjustments for -                                     |                      |                    |
| Trade and Other Receivables                           | (32,63,041)          | 79,99,089          |
| Inventories   | (2,00,54,880)        | 77,88,768          |
| Trade and Other Payables                              | 2,36,46,119          | (2,57,26,694)      |
| Cash Generated From Operations                        | 2,86,48,500          | 1,47,04,886        |
| Direct Taxes Paid                                     | (51,97,070)          | (42,46,490)        |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>             | <b>2,34,51,430</b>   | <b>1,04,58,396</b> |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>        |                      |                    |
| Purchase of Fixed Assets                              | (61,694)             | (18,55,533)        |
| Sale of Fixed Assets                                  | -                    | -                  |
| Interest Received                                     | -                    | -                  |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>          | <b>(61,694)</b>      | <b>(18,55,533)</b> |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>        |                      |                    |
| Proceeds from Long Term Borrowings (net)              | (1,24,48,375)        | (33,55,347)        |
| Proceeds from Short Term Borrowings (net)             | (77,13,864)          | 6,01,306           |
| Interest Paid   | (57,28,048)          | (72,39,968)        |
| Dividend Paid   | -                    | -                  |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>          | <b>(2,58,90,287)</b> | <b>(99,94,009)</b> |
| <b>Net Increase in Cash and Cash Equivalents</b>      | <b>(25,00,551)</b>   | <b>(13,91,146)</b> |
| Cash and Cash Equivalents as at beginning of the year | 43,31,517            | 57,22,663          |
| Cash and Cash Equivalents as at end of the year       | 18,30,966            | 43,31,517          |
| <b>Cash and Cash Equivalents:</b>                     |                      |                    |
| Cash and Bank Balances                                | 18,30,966            | 43,31,517          |
| Statutory restricted accounts                         | -                    | -                  |
|   | 18,30,966            | 43,31,517          |

As per our report of even date

For SANGHAVI & COMPANY  
Chartered AccountantsMANOJ GANATR  
PartnerASHMI PATEL  
Company SecretaryBhavnagar  
12th July, 2021

For and on behalf of the Board of Directors

NARENDRASINH CHAUHAN  
Managing DirectorRANJITSINH SOLANKI  
Chief Financial OfficerBhavnagar  
12th July, 2021

## Company Information:

**Shubhlaxmi Jewel Art Limited** ("the Company") is a public limited company domiciled in India and incorporated on 2<sup>nd</sup> May, 2018 under the provisions of Companies Act applicable in India. The Company is dealing in gold, silver, jewellery and other precious metals. The registered office of the Company is located at 1, "D & I Excelus", Waghawadi Road, Bhavnagar - 364 002, Gujarat, India. The equity shares of the Company are listed on SME platform of the National Stock Exchange (NSE).

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., wherever applicable.

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 and leave encashment 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 2021    | 31st March 2020    |
|---------------------------------------|--------------------|--------------------|
|                                       | ₹                  | ₹                  |
| <b>Authorised</b>                     |                    |                    |
| 85,00,000 equity shares of ₹ 10 each  | 8,50,00,000        | 8,50,00,000        |
|                                       | <u>8,50,00,000</u> | <u>8,50,00,000</u> |
| <b>Issued, Subscribed and Paid up</b> |                    |                    |
| 83,04,000 equity shares of ₹ 10 each  | 8,30,40,000        | 8,30,40,000        |
|                                       | <u>8,30,40,000</u> | <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 | 83,04,000     | 8,30,40,000 |
| Shares issued during the year                     | -             | -           |
| 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 2021 |              | 31st March 2020 |              |
|-------------------------|-----------------|--------------|-----------------|--------------|
|                         | No. of shares   | % of holding | No. of shares   | % of holding |
| Narendrasinh J Chauhan  | 20,79,140       | 25.04        | 20,78,140       | 25.03        |
| Jitendrakumar J Chauhan | 20,78,140       | 25.03        | 20,78,140       | 25.03        |
| Jagrutiben N Chauhan    | 7,94,600        | 9.57         | 7,94,600        | 9.57         |
| Kajalben J Chauhan      | 7,94,600        | 9.57         | 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 2021 | 31st March 2020 |
|--------------------------------------|-----------------|-----------------|
|                                      | ₹               | ₹               |
| <b>Securities Premium</b>            |                 |                 |
| Balance at the beginning of the year | 3,32,44,928     | 3,32,44,928     |
| Additions during the year            | -               | -               |
| Share issue and preliminary expenses | -               | -               |
| Balance at the end of the year       | 3,32,44,928     | 3,32,44,928     |
| <b>Surplus</b>                       |                 |                 |
| Balance at the beginning of the year | 2,21,36,428     | 1,00,39,749     |
| Net profit for the year              | 1,59,36,593     | 1,20,96,679     |
| Balance at the end of the year       | 3,80,73,021     | 2,21,36,428     |
|                                      | 7,13,17,949     | 5,53,81,356     |

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

| Particulars   | 31st March 2021 | 31st March 2020 |
|---|-----------------|-----------------|
|   | ₹               | ₹               |
| <b>Secured Loans</b>  |                 |                 |
| Term loans from banks   | 14,62,489       | 1,07,28,690     |
| Term loans from banks against hypothecation of vehicles                     | -               | -               |
|   | 14,62,489       | 1,07,28,690     |
| <b>Unsecured Loans</b>  |                 |                 |
| From a Bank   | -               | 31,82,174       |
| Above loans are secured by the personal guarantees of some of the directors |                 |                 |
|   | 14,62,489       | 1,39,10,864     |

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

| Particulars                    | 31st March 2021 | 31st March 2020 |
|--------------------------------|-----------------|-----------------|
|                                | ₹               | ₹               |
| Provision for Gratuity         | 4,66,689        | 3,53,547        |
| Provision for Leave Encashment | 1,28,668        | 1,28,800        |
|                                | 5,95,357        | 4,82,347        |



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

| Particulars                         | 31st March 2021    | 31st March 2020    |
|-------------------------------------|--------------------|--------------------|
|                                     | ₹                  | ₹                  |
| Working capital finance from a bank | 4,24,98,503        | 5,02,12,367        |
|                                     | <u>4,24,98,503</u> | <u>5,02,12,367</u> |

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

| Particulars                         | 31st March 2021    | 31st March 2020    |
|-------------------------------------|--------------------|--------------------|
|                                     | ₹                  | ₹                  |
| Current maturity of long-term debts | 61,37,361          | 68,45,504          |
| Advances from customers             | 1,11,64,390        | 88,91,059          |
| Statutory liabilities               | 5,85,120           | 21,40,239          |
| Other liabilities                   | 86,11,428          | 5,57,220           |
|                                     | <u>2,64,98,299</u> | <u>1,84,34,022</u> |

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

| Particulars                                | 31st March 2021 | 31st March 2020 |
|--|-----------------|-----------------|
|  | ₹               | ₹               |
| Provision for income tax (net of payments) | 2,74,679        | -               |
| Provision for leave encashment             | 11,133          | 12,421          |
| Provision for bonus                        | 3,40,657        | 4,20,524        |
|  | <u>6,26,469</u> | <u>4,32,945</u> |



Note No. 9  
Fixed Assets

(Amounts in Indian ₹)

| Particulars            | Gross Block        |               |            |                    | Accumulated Depreciation |                           |                            |                    | Net Block          |                    |
|------------------------|--------------------|---------------|------------|--------------------|--------------------------|---------------------------|----------------------------|--------------------|--------------------|--------------------|
|                        | 1st April 2020     | Additions     | Deductions | 31st March 2021    | 1st April 2020           | Depreciation For the Year | On Deductions / Adjustment | 31st March 2021    | 31st March 2021    | 1st April 2020     |
| <b>Tangible Assets</b> |                    |               |            |                    |                          |                           |                            |                    |                    |                    |
| Building               | 2,50,77,078        | -             | -          | 2,50,77,078        | 97,61,600                | 3,96,218                  | -                          | 1,01,57,818        | 1,49,19,260        | 1,53,15,478        |
| Office Equipment       | 62,82,204          | 36,724        | -          | 63,18,928          | 49,32,970                | 2,72,933                  | -                          | 52,05,903          | 11,13,025          | 13,49,234          |
| Computers              | 12,84,022          | 24,970        | -          | 13,08,992          | 10,97,351                | 79,228                    | -                          | 11,76,579          | 1,32,413           | 1,86,671           |
| Furniture & Fixtures   | 47,77,208          | -             | -          | 47,77,208          | 22,14,230                | 4,71,609                  | -                          | 26,85,839          | 20,91,369          | 25,62,978          |
| Plant & Equipment      | 79,282             | -             | -          | 79,282             | 8,253                    | 5,019                     | -                          | 13,272             | 66,010             | 71,029             |
| Vehicles               | 21,87,418          | -             | -          | 21,87,418          | 13,11,296                | 2,55,584                  | -                          | 15,66,880          | 6,20,538           | 8,76,122           |
| <b>Total</b>           | <b>3,96,87,212</b> | <b>61,694</b> | <b>-</b>   | <b>3,97,48,906</b> | <b>1,93,25,700</b>       | <b>14,80,591</b>          | <b>-</b>                   | <b>2,08,06,291</b> | <b>1,89,42,615</b> | <b>2,03,61,512</b> |
| Previous Year          | 3,78,31,679        | 18,55,533     | -          | 3,96,87,212        | 1,79,27,114              | 13,98,586                 | -                          | 1,93,25,700        | 2,03,61,512        | 1,99,04,565        |



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

| Particulars                        | 31st March 2021 | 31st March 2020 |
|------------------------------------|-----------------|-----------------|
|                                    | ₹               | ₹               |
| <u>Unsecured (considered good)</u> |                 |                 |
| Capital advances                   | -               | -               |
| Security deposits                  | 8,15,329        | 8,12,133        |
|                                    | <u>8,15,329</u> | <u>8,12,133</u> |

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

| Particulars                                       | 31st March 2021     | 31st March 2020     |
|---|---------------------|---------------------|
|   | ₹                   | ₹                   |
| Stock in trade                                    | 20,82,09,229        | 18,79,66,818        |
| (Valued at lower of cost or net realisable value) |                     |                     |
| Packing and other materials                       | 1,23,921            | 3,11,452            |
|   | <u>20,83,33,150</u> | <u>18,82,78,270</u> |

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

| Particulars                        | 31st March 2021    | 31st March 2020    |
|------------------------------------|--------------------|--------------------|
|                                    | ₹                  | ₹                  |
| <u>Unsecured (considered good)</u> |                    |                    |
| Over six months                    | 84,12,028          | 78,87,513          |
| Others                             | 41,76,489          | 49,60,042          |
|                                    | <u>1,25,88,517</u> | <u>1,28,47,555</u> |



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

| Particulars                      | 31st March 2021 | 31st March 2020 |
|----------------------------------|-----------------|-----------------|
|                                  | ₹               | ₹               |
| <u>Cash and Cash Equivalents</u> |                 |                 |
| <u>Balances with Banks:</u>      |                 |                 |
| Current accounts                 | 2,99,341        | 32,09,815       |
| Short term deposits              | -               | -               |
|                                  | 2,99,341        | 32,09,815       |
| Cash on hand                     | 15,31,625       | 11,21,702       |
|                                  | 18,30,966       | 43,31,517       |

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

| Particulars                                  | 31st March 2021 | 31st March 2020 |
|--|-----------------|-----------------|
|  | ₹               | ₹               |
| <u>Unsecured (considered good)</u>           |                 |                 |
| Trade advances to suppliers                  | 38,61,358       | 1,29,310        |
| Prepaid expenses                             | 3,09,036        | 5,47,259        |
| Advance payment of taxes (net of provisions) | -               | 50,000          |
| Input credit receivables                     | 1,19,209        | 55,612          |
| Other loans and advances                     | 52,443          | 90,982          |
|  | 43,42,046       | 8,73,163        |



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

| Particulars              | 2020-2021           | 2019-2020           |
|--------------------------|---------------------|---------------------|
|                          | ₹                   | ₹                   |
| Sales (net)              | 29,16,30,811        | 53,45,06,790        |
|                          | <u>29,16,30,811</u> | <u>53,45,06,790</u> |
| Other operational income | -                   | 1,93,054            |
|                          | <u>29,16,30,811</u> | <u>53,46,99,844</u> |

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

| Particulars    | 2020-2021       | 2019-2020 |
|----------------|-----------------|-----------|
|                | ₹               | ₹         |
| Subsidy income | 5,00,000        | -         |
|                | <u>5,00,000</u> | <u>-</u>  |

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

| Particulars          | 2020-2021            | 2019-2020           |
|----------------------|----------------------|---------------------|
|                      | ₹                    | ₹                   |
| <u>Closing Stock</u> |                      |                     |
| Stock in trade       | 20,82,09,229         | 18,79,66,818        |
|                      | <u>20,82,09,229</u>  | <u>18,79,66,818</u> |
| <u>Opening Stock</u> |                      |                     |
| Stock in trade       | 18,79,66,818         | 19,46,35,985        |
|                      | <u>18,79,66,818</u>  | <u>19,46,35,985</u> |
|                      | <u>(2,02,42,411)</u> | <u>66,69,167</u>    |

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

| Particulars                        | 2020-2021          | 2019-2020          |
|------------------------------------|--------------------|--------------------|
|                                    | ₹                  | ₹                  |
| Salaries, bonus and allowances     | 1,16,98,139        | 72,79,173          |
| Directors' remuneration            | 30,00,000          | 80,11,666          |
| Gratuity                           | 1,13,142           | 1,31,475           |
| Contribution to PF and other funds | 3,17,037           | 6,94,691           |
| Staff welfare and other expenses   | 4,44,763           | 5,75,050           |
|                                    | <u>1,55,73,081</u> | <u>1,66,92,055</u> |



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

| Particulars           | 2020-2021 | 2019-2020 |
|-----------------------|-----------|-----------|
|                       | ₹         | ₹         |
| <u>Interest</u>       |           |           |
| Bank                  | 55,60,209 | 70,97,102 |
| Income tax            | 1,64,151  | 59,309    |
| Others                | 3,688     | 83,557    |
|                       | 57,28,048 | 72,39,968 |
| Other borrowing costs | 1,13,972  | 35,564    |
|                       | 58,42,020 | 72,75,532 |

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

| Particulars                               | 2020-2021   | 2019-2020   |
|---|-------------|-------------|
|   | ₹           | ₹           |
| <u>Trading Expenses</u>                   |             |             |
| Packing materials and expenses            | 7,05,564    | 22,18,408   |
| Labour charges                            | 82,66,055   | 74,43,742   |
| Other expenses                            | 32,132      | 2,49,267    |
|   | 90,03,751   | 99,11,417   |
| <u>Selling and Distribution Expenses</u>  |             |             |
| Discount, kasar and sales scheme expenses | 3,54,100    | 37,68,025   |
| Business promotion expenses               | 5,62,094    | 6,57,236    |
|   | 9,16,194    | 44,25,261   |
| <u>Administrative and Other Expenses</u>  |             |             |
| Rent                                      | -           | 7,27,500    |
| Rates and taxes                           | 1,14,625    | 1,74,819    |
| Office repairs and maintenance            | 2,03,027    | 3,52,419    |
| Electric expenses                         | 2,95,514    | 5,94,591    |
| Insurance premiums                        | 2,26,141    | 1,97,874    |
| Postage and telephone expenses            | 53,150      | 93,941      |
| Printing and stationery expenses          | 3,70,540    | 5,65,906    |
| Computer and software expenses            | 65,662      | 1,93,897    |
| Vehicle expenses                          | 1,61,507    | 1,57,182    |
| Travelling and conveyance                 | 23,771      | 10,700      |
| Advertisement expenses                    | 5,20,597    | 12,36,000   |
| Accounting charges                        | 6,58,000    | 6,00,000    |
| Legal and professional fees               | 19,72,583   | 5,88,913    |
| Audit Fees                                | 2,15,000    | 2,34,200    |
| Bank commission and charges               | 4,52,155    | 7,17,264    |
| Bad debts                                 | 20,15,974   | -           |
| Donations                                 | -           | 93,211      |
| General expenses                          | 5,01,666    | 6,41,689    |
|   | 78,49,912   | 71,80,106   |
|   | 1,77,69,857 | 2,15,16,784 |



- 21 Due to Covid pandemic and other factors, physical verification of inventories was not carried out by the Auditors. Inventories and valuation thereof are, therefore, taken as verified, valued and certified by the management of the Company. In respect of valuation of inventories, adequate documents and details for valuation of the inventories were not made available to the Auditors. In absence of such information and appropriate audit evidence, the Auditors have relied upon the explanations furnished to them by the management.
- 22 Balances for trade receivables, trade payables, balances with banks 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 ₹ 72,000 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 ₹ 1,85,000 are as under:

| Particulars                                | ₹          |
|--|------------|
| Depreciation                               | (32,500)   |
| Disallowance u/s 43B of the Income Tax Act | (1,52,500) |
| Total                                      | (1,85,000) |

- 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 Payment to Auditors:

| Particulars    | 2020-2021<br>₹ | 2019-2020<br>₹ |
|----------------|----------------|----------------|
| Audit fees     | 1,25,000       | 1,25,000       |
| Tax audit fees | 25,000         | 25,000         |
| Other matters  | 65,000         | 84,200         |



**27 Related Party Disclosures:**

➤ **Associates:**

- Jesingbhai Jewellers
- Niksha Jewellers

➤ **Key Managerial Personnel and Relatives:**

- |   |  |
|---|--|
| 1. Shri Narendrasinh Chauhan                    | 2. Shri Vaibhav Chapaneri                  |
| 3. Smt. Jagrutiben Chauhan                      | 4. Smt. Kajalben Chauhan (upto 17.02.2020) |
| 5. Shri Ranjitsinh Solanki                      | 6. Smt. Vilasben Parmar                    |
| 7. Smt. Ashmi Patel                             | 8. Smt. Jignasaben Solanki                 |
| 9. Shri Jitendrakumar Chauhan (upto 16.03.2020) | 10. Smt. Binal Kothari                     |
| 11. Shreya Chauhan                              | 12. Bhadreshkumar Dave (upto 27.07.2020)   |
| 13. Snehal Jani                                 | 14. Rakesh Soni                            |

| Nature of Transactions                                | 2020-2021   | 2019-2020   |
|---|-------------|-------------|
|   | ₹           | ₹           |
| <b><u>Associates:</u></b>                             |             |             |
| 1. Purchase of materials                              | 94,75,858   | 2,35,65,304 |
| 2. Sale of materials                                  | 1,27,40,274 | 1,54,45,980 |
| 3. Labour charges                                     | -           | 2,05,435    |
| 4. Outstanding Balance: Trade Payables                | -           | 35,62,723   |
| Advances to Suppliers                                 | 38,60,653   | -           |
| <b><u>Key Management Personnel and Relatives:</u></b> |             |             |
| 1. Remuneration                                       | 32,03,302   | 83,03,370   |
| 2. Consultancy Expenses                               | 5,80,000    | -           |
| 3. Outstanding balance: Other Current Liabilities     | 11,89,422   | 2,34,638    |

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

**28.1 Sales & Stocks:**

| Particulars                   | Sales        | Closing Stock | Opening Stock |
|-------------------------------|--------------|---------------|---------------|
|                               | ₹            | ₹             | ₹             |
| Precious Metals and Ornaments | 29,16,30,811 | 20,82,09,229  | 18,79,66,818  |

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



- 29 Trade payables include outstanding dues of Micro enterprises and Small enterprises ₹ 69,75,879.
- 30 All the amounts are stated in Indian Rupees, unless otherwise stated.
- 31 Previous year's figures are regrouped and rearranged, wherever necessary.

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

RANJITSINH SOLANKI  
Chief Financial Officer

JAGRUTIBEN CHAUHAN  
Director

ASHMI PATEL  
Company Secretary

Bhavnagar  
12<sup>th</sup> July, 2021

Bhavnagar  
12<sup>th</sup> July, 2021

## FORM 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 : L45100GJ2018PLC102121

Name of the Company : Shubhlaxmi Jewel Art Limited

Registered office address : Shop No. 1, Ground Floor, “D & I Excelus”,  
Waghawadi Road, Bhavnagar – 364002, Gujarat

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No / Client ID / DP ID :

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

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing  
him \_\_\_\_\_
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing  
him \_\_\_\_\_
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_  
Signature : \_\_\_\_\_ or failing  
him \_\_\_\_\_

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 3<sup>rd</sup> Annual General Meeting of the company, to be held on September 30, 2021 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. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2021, together with the Report of the Board of Directors and Auditors thereon. (Ordinary Resolution)
2. To appoint a Director, Mrs. Jagrutiben Narendrasinh Chauhan (DIN: 08127789) who retires by rotation and being eligible, offers herself for re-appointment (Ordinary Resolution)
3. To appoint a Director, Mr. Ankurbhai Prabtani (DIN: 09307275) as Non-Executive Non-Independent Director, liable to retire by rotation, with effect from date of this meeting. (Ordinary Resolution)
4. To consider and approve increase in authorized share capital of the company from Rs. 8,50,00,000/- to Rs. 11,00,00,000/-. (Ordinary Resolution)
5. To consider and approve alteration in capital clause of Memorandum of Association of the company (Special Resolution)
6. To consider and approve issue of share warrants on preferential basis amounting to Rs. 2,76,00,000/- divided into 23,00,000 share warrants of Rs. 12/- each. (Special Resolution)

Signed this \_\_\_\_\_ day of September 2021

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**

**CIN: L45100GJ2018PLC102121**

**Registered Office: Shop No. 1, Ground Floor, “D & I Excelus”, Waghawadi Road,  
Bhavnagar – 364002, Gujarat, India**

## **ATTENDANCE SLIP**

3<sup>rd</sup> Annual General Meeting of Shubhlaxmi Jewel Art Limited held on September 30, 2021 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 / DP ID / Client ID : \_\_\_\_\_

Mr. / Mrs. / Miss : \_\_\_\_\_

**(Shareholder's 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 3<sup>rd</sup> Annual General Meeting of the company held on September 30, 2021 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 the same 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.

# SHUBHLAXMI JEWEL ART LIMITED

CIN: L45100GJ2018PLC102121

**Registered Office: Shop No. 1, Ground Floor, “D & I Excelus”, Waghawadi Road,  
Bhavnagar – 364002, Gujarat, India**

## FORM NO MGT -12

### POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)( c) of the Companies  
(Management and Administration) Rules, 2014]

|   |  |   |                          |                            |                             |
|---|--|---|--------------------------|----------------------------|-----------------------------|
| Name of the Company   |  | Shubhlaxmi Jewel Art Limited  |                          |                            |                             |
| Registered Office   |  | CIN: L45100GJ2018PLC102121<br>Shop No. 1, Ground Floor, “D & I Excelus”,<br>Waghawadi Road, Bhavnagar – 364002, Gujarat<br>Phn.: 9537451111 / 8690365403<br>E mail: <a href="mailto:info@shubhlaxmilttd.in">info@shubhlaxmilttd.in</a><br>Website: <a href="http://www.shubhlaxmilttd.in">www.shubhlaxmilttd.in</a> |                          |                            |                             |
| Sr No.  | Particulars  | Details   |                          |                            |                             |
| 1   | Name of the First Named shareholder<br>(In block letter)   |   |                          |                            |                             |
| 2   | Postal Address   |   |                          |                            |                             |
| 3   | Registered Folio No./*Client ID No.  |   |                          |                            |                             |
| 4   | Class of shares  | Equity shares   |                          |                            |                             |
| I hereby exercise my vote in respect of Ordinary Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner |  |   |                          |                            |                             |
| Resolutions:  |  | Nature of Resolution  | No. of shares held by me | I assent to the resolution | I dissent to the resolution |
| 1   | Consider and adopt Audited Financial Statements, reports of the Board of Directors and Auditor for the year ended 31 <sup>st</sup> March, 2021         | Ordinary  |                          |                            |                             |
| 2   | Appoint a Director, Mrs. Jagrutiben Narendrasinh Chauhan (DIN: 08127789) who retires by rotation and being eligible, offers herself for re-appointment | Ordinary  |                          |                            |                             |

|   |  |          |  |  |  |
|---|--|----------|--|--|--|
| 3 | Appoint a Director, Mr. Ankurbhai Prabtni (DIN: 09307275) as Non-Executive Non-Independent Director, liable to retire by rotation, with effect from the date of this meeting | Ordinary |  |  |  |
| 4 | To consider and approve increase in authorized share capital of the company from Rs. 8,50,00,000/- to Rs. 11,00,00,000/-   | Ordinary |  |  |  |
| 5 | To consider and approve alteration in capital clause of Memorandum of Association of the company   | Special  |  |  |  |
| 6 | To consider and approve issue of share warrants on preferential basis amounting to Rs. 2,76,00,000/- divided into 23,00,000 share warrants of Rs. 12/- each.                 | Special  |  |  |  |

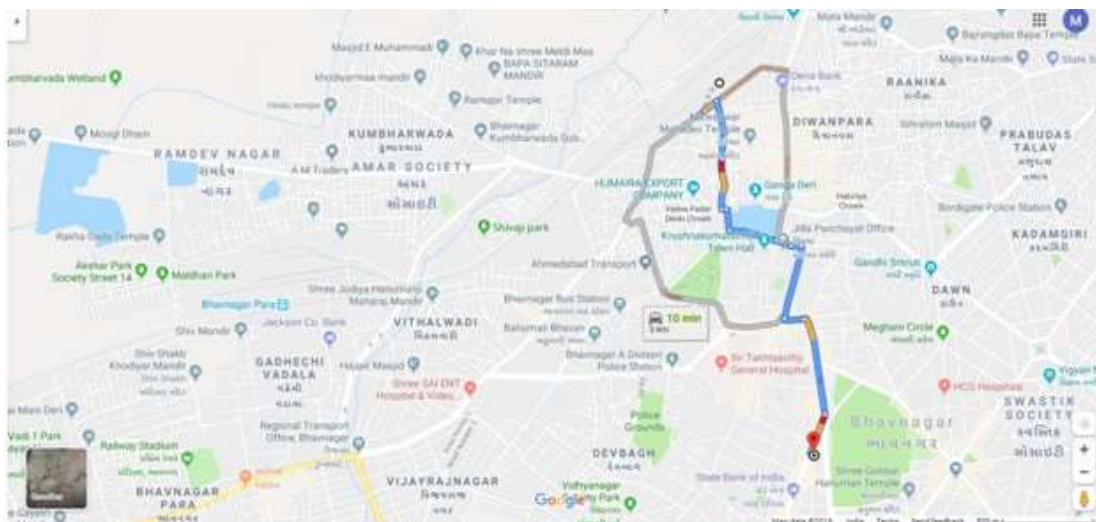
Place:

(Signature of the Shareholder)

Date:

## 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