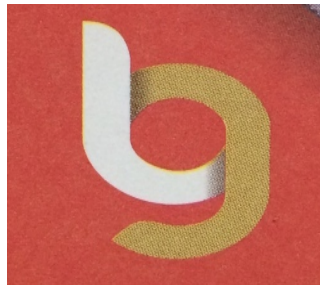


8TH

ANNUAL REPORT

2017-18



**BHAKTI GEMS AND JEWELLERY
LIMITED**



Bhakti
Gems & Jewellery Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------------------|------------------------|
| MR. AKSHAY SEVANTILAL MEHTA | -MANAGING DIRECTOR |
| MRS. VARSHABEN AKSHAY MEHTA | -WHOLETIME DIRECTOR |
| MR. HARDIKKUMAR HEMENDRAKUMAR SHAH | -INDEPENDENT DIRECTOR |
| MR. VIJAYKUMAR BHIKHABHAI PATEL | - INDEPENDENT DIRECTOR |
| MR. MILAN CHANDRAKANT DAVE | - INDEPENDENT DIRECTOR |

KEY MANAGERIAL PERSONNEL

| | |
|-----------------------------------|--------------------------|
| MR. NIRAV ARVINDBHAI SHAH | -COMPANY SECRETARY |
| MR. PRATIKKUMAR RAMESHBHAI VALANI | -CHIEF FINANCIAL OFFICER |

AUDITORS

DHAVAL PADIYA & CO
F-101, SHAYON TILAK RESIDENCY,
OPP DEVNANDAN FLAT,
NEW S.G.ROAD, GOTA,
AHMEDABAD-382481

BANKERS

YES BANK LIMITED
102/103, CG CENTERE,
CG ROAD, AHMEDABAD-380009

REGISTRAR AND SHARE TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153A, FIRST FLOOR
OKHLA INDUSTRIAL AREA,
PHASE-I NEW DELHI - 110020



NOTICE

Notice is hereby given that the **8TH ANNUAL GENERAL MEETING** of the members of Bhakti Gems and Jewellery Limited ("the Company") will be held on Wednesday, the 19th day of September, 2018 at 03:00 P.M at the registered office of the Company at 209, Shree Balaji Paragon, B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad-380009, Gujarat, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Financial Statement including Audited Balance Sheet of the Company as at March 31st, 2018 and statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with Board of Directors' and Auditors' Report thereon.
2. To appoint a director in place of Mrs. Varshaben Akshay Mehta (DIN: 02988112) who retires by rotation, and being eligible offers herself for re-appointment.
3. To confirm the appointment of M/s Parth Shah and Associates, Chartered Accountants as Statutory Auditors in Place of M/s. Dhaval Padiya & Co, Chartered Accountants, and to fix their remuneration and, to consider, and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under M/s. Parth Shah and Associates Chartered Accounts (FRN: 144251W) who has been appointed by Board as Statutory Auditors in Board Meeting dated 16th August 2018 be and is hereby appointed as Statutory Auditors of the company in place of erstwhile auditors M/s. Dhaval Padiya & Co, Chartered Accountants having FRN: 140653W, for Five years till the AGM to be held in 2023-2024 at remuneration plus GST & other expenses if any, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

1. INCREASE IN AUTHORISED SHARE CAPITAL

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

"RESOLVED THAT pursuant to provisions of section 61 read with section 64 and all other applicable provisions, if any, of Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules framed there under, the consent of the members of the company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakh only) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 10,01,00,000/- (Rupees Ten Crore One Lakh Only) divided into 1,00,10,000 (One Crore Ten Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten only) each ranking pari-passu in all respect with the existing Equity Shares of the Company and Clause V of the Memorandum of Association.

2. 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 an Ordinary Resolution:



“RESOLVED FURTHER THAT pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed there under, 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 the following clause.

“V. The Authorised Share Capital of the Company is Rs. 10,01,00,000/- (Rupees Ten Crore One Lakh Only) divided into 1,00,10,000 (One Crore Ten Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten only) each.”

RESOLVED FURTHER THAT any one of the Director be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to aforementioned resolution.”

3. ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS:

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

“RESOLVED THAT pursuant to the provisions of Section 42 & 62 and other applicable provisions, if any, of the Companies Act, 2013, as amended (“Companies Act”) read with the rules made thereunder, to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act 2013), and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”), and subsequent amendments thereto, including but not restricted to the (SEBI ICDR Regulations), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI Takeover Regulations”) and amendments thereto as in force and subject to other applicable rules, regulations and guidelines of the Securities and Exchange Board of India (“SEBI”) (“SEBI Regulations”), and the stock exchanges where the shares of the Company are listed (“Stock Exchanges”) and enabling provisions of the Memorandum and Articles of Association of Bhakti Gems and Jewellery Limited (“Company”) and the listing agreements entered into between the Company and the Stock Exchanges and subject to requisite approvals, consents, permissions and/or sanctions if any, SEBI, the Stock Exchanges and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/or sanctions 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 one or more of its power including the powers conferred hereunder), the consent of members of the Company be and is hereby accorded to create, offer, issue and allot up to **19,04,760 (Nineteen Lakhs Four Thousand Seven Hundred and Sixty only)** equity shares of face value of Rs.10/- each (“Equity Shares”) fully paid up, for cash, at price of **Rs. 21/- per Equity Shares (inclusive of Share Premium of Rs. 11/- per share)** with respect to the **Relevant Date i.e 18th August,2018** determined in accordance with Chapter VII of SEBI ICDR Regulations for Preferential Issues to the following proposed allottees:

| S.NO | NAME & ADDRESS | NO. OF SHARES | CONSIDERATION (in Rs.) |
|------|--|---------------|------------------------|
| 1 | Akshay Sevantilal Mehta Address- 4,Pushpak Hill Bunglows, Chamunda Nagar Railway crossing Road, B/H Anandnagar, Vejalpur, Ahmedabad 380051 PAN:AECPM3545E | 7,14,285 | 1,49,99,985/- |
| 2 | Varshaben Akshay Mehta Address- 4,Pushpak Hill Bunglows, Chamunda Nagar Railway | 7,14,285 | 1,49,99,985/- |

BHAKTI GEMS AND JEWELLERY LIMITED



| | | | |
|--------------|---|------------------|----------------------|
| | crossing Road, B/H Anandnagar, Vejalpur, Ahmedabad 380051 PAN:AFFPM8459M | | |
| 3 | Veeram Vendors Private Limited Address- 42/D, Sri Hari Park, Near Gopi Vallabh Tower, Times Of India Road, Satellite, Ahmedabad -380015 PAN:AAGCV2373L | 1,19,050 | 25,00,050/- |
| 4 | Ardi Investment and Trading Co. Ltd. Address- Shop No. 3 Hemu Castle, Dadabhai Road, Near Gokhlibai School Vile Parle (W) Mumbai-400056 PAN:AAACA3248B | 3,57,140 | 74,99,940/- |
| TOTAL | | 19,04,760 | 3,99,99,960/- |

“RESOLVED FURTHER THAT the equity shares to be allotted to the Investor pursuant to the aforesaid preferential allotment shall rank pari-passu in all respects including as to dividend, with the existing fully paid up equity shares of face value of Re.10/- each of the Company, subject to lock-in as per requirements of SEBI ICDR Regulations and subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Equity Shares shall be issued and allotted by the Company to the Investor in dematerialized form within a period of 15 days from the date of passing of this resolution provided that where the issue and allotment of the said Equity Shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of 15 days from the date of such approval.”

“RESOLVED FURTHER THAT the Equity Shares to be offered, issued and allotted shall be subject to lock-in as provided under the provisions Chapter VII of the SEBI ICDR Regulations and the Equity Shares so offered, issued and allotted will be listed subject to the receipt of necessary regulatory permissions and approvals.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilisation of the issue proceeds and to do all acts, deeds and 'things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the 'Members or Otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, or any Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.”

4. To appoint Mr. Hardikkumar Hemendrakumar Shah (DIN: 08107719) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Companies (Appointment and Qualifications of Directors) Rules 2014 and SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, Mr. Hardikkumar Hemendrakumar Shah (DIN: 08107719), who was appointed as an Additional Non-Executive Independent Director pursuant to the provisions section 149 and 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and who is not disqualified for being appointed as a Director of the company in term of the section



164 of the Companies Act, 2013 or any other applicable provisions and had given his consent for appointment as an Independent Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years from the date of her appointment, on such remuneration by way of sitting fees, commission and other permissible fees plus out-of pocket expenses, as approved by the Board of Directors.

**BY ORDER OF THE BOARD OF DIRECTORS OF
BHAKTI GEMS AND JEWELLERY LIMITED**

**Place: Ahmedabad
Date: 16th August, 2018**

**SD/-
Akshay S. Mehta
Managing Director**

NOTES

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company
3. Members / Proxies should bring the duly filled Attendance Slip at the Annual General Meeting (AGM). Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday 13th September, 2018 to Wednesday, 19th September, 2018 (Both days inclusive).
5. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, **SKYLINE FINANCIAL SERVICES PVT. LTD** for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for



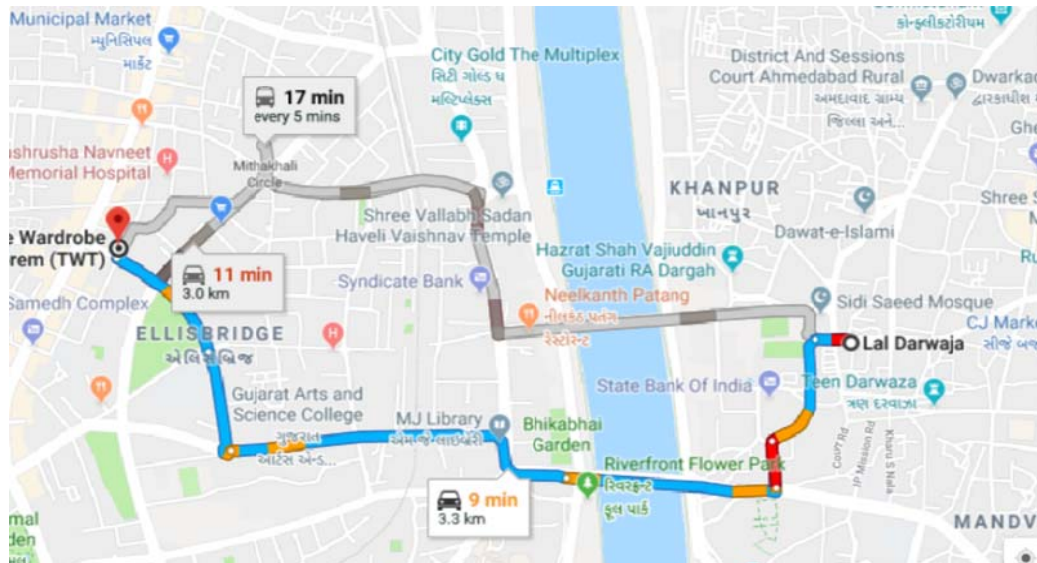
the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.

9. All the Documents referred to in the notice are open for inspection at the registered office of the Company between 11 A.M. to 5.00 P.M on any working day prior to the day of meeting and will also be available at the meeting venue on the date of meeting.
10. The Company being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules 2014 is not mandatory to provide remote e-voting facility to its member.
11. Mrs. Varshaben A. Mehta, Whole Time Director retiring by rotation and being eligible; offer herself for reappointment at the Annual general Meeting. A brief resume of the said director is given below-

| | |
|--|-------------------------|
| Name of Director | Mrs. Varshaben A. Mehta |
| DIN | 02988112 |
| Qualification | Matriculation |
| Directorship held in other companies | NIL |
| Number of shares held in the Company at 31.03.2018 | 3,49,500 |

12. The venue of AGM is as follows:

Route map to the Venue of the Annual General Meeting



**BY ORDER OF THE BOARD OF DIRECTORS OF
BHAKTI GEMS AND JEWELLERY LIMITED**

Place: Ahmedabad
Date: 16th August, 2018

SD/-
Akshay S. Mehta
Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO. 1 & 2**

Presently, the authorized capital of the company is Rs. 7,00,00,000 divided into 70,00,000 Equity Shares of Rs.10/- each. In order to expand the Capital base for infusion of additional funds by way of share capital, it is proposed to increase the Authorized Share Capital from the existing Rs. 7,00,00,000/- to Rs. 10,01,00,000/- subject to compliance of statutory provisions of the Companies Act, 2013 and also to amend Clause V of the Memorandum of Association in this regard.

As per the provisions of the Companies Act, 2013 member's approval is required to give effect to the proposed resolution. The Board considers the said Resolution in the interest of the Company and recommend the said resolution for approval of the members as Ordinary Resolution.

None of the Directors is concerned or interested in this resolution except their shareholding in the Company.

ITEM NO. 3

Your Company is growing in its business and growth requires capital. Further funds are required to augment its working capital purposes.

It is proposed therefore to raise the further capital by way of a preferential issue of Equity Shares as per the Chapter VII of Securities and Exchange Board of India (issue of Capital & disclosure requirements) regulations 2009 and as per Section 62 and other applicable provisions if any of the Companies Act 2013. Section 62 of the Companies Act, 2013, provides, inter alia, that such further shares may be offered to any persons whether or not such persons are existing holders of equity shares of the Company as on the date of offer by way of a Special Resolution passed to that effect by the Company in Annual General Meeting.

The Equity Shares of the Company to be allotted shall be subject to the Memorandum and Articles of Association of the Company and the terms of the issue. The consummation of the proposed subscription of equity Shares by proposed allottees is subject to approval from any governmental / or regulatory authorities etc., if required and / or as applicable.

The Listing Agreements executed by the Company with the Bombay Stock Exchange provide that the Company shall issue or offer in the first instance all Securities to the existing equity shareholders of the Company unless the Shareholders decide otherwise.

Accordingly, the consent of the shareholders is being sought, pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013, Regulation 74(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments thereof, and in terms of the provisions of the Listing Agreements, and such other approvals as may be necessary, to issue and allot securities as stated in the Special Resolution.

The proposed Special Resolutions gives (a) adequate flexibility and discretion to the Board to finalize the terms of the issue in accordance with the normal practice, (b) powers to issue and market any securities; and (c) for utilization of the issue proceeds as the Board may deem fit, without being required to seek any further consent or approvals of the Members or otherwise, with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.



As required under Rule 13 (2) (d) of the (Share Capital and Debentures) Rules ,2014 of Companies Act 2013 and regulation 73(1) & (2) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the other required details are furnished as under:

A. Objects of the Preferential Issue

Your Company's business is growing rapidly and growth requires capital. Further funds are required to augment its working capital.

It is proposed therefore to raise the further capital by way of a preferential issue of Equity Shares as per the Chapter VII of Securities and Exchange Board of India (issue of Capital & disclosure requirements) regulations 2009 and as per Section 62 and other applicable provisions if any of the Companies Act 2013.

B. Intention of the promoters / directors / key management persons to subscribe to the offer

The preferential issue is being made to the Promoters and other subscribers. Except Mr. Akshay Sevantilal Mehta and Mrs. Varshaben Akshay Mehta, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of this Resolution.

C. Shareholding pattern before and after the issue of shares

The Figures in the following Table are as on 16th August 2018 and excludes subsequent transfers and allotments:

| Particulars | | Pre- Issue | | Post- Issue | |
|-------------|--------------------------|------------------|---------------|---------------|---------------|
| S.No. | Category | No. of Shares | % of Holding | No. of Shares | % of Holding |
| A | Promoters | 46,51,600 | 68.27 | 60,80,170 | 69.74 |
| B | Public | | | | |
| | Body Corporate | 13,68,000 | 20.08 | 18,44,190 | 21.15 |
| | Individuals | 7,94,200 | 11.65 | 7,94,200 | 9.11 |
| | Non-Resident Individuals | - | - | - | - |
| | Clearing Members | - | - | - | - |
| | Trusts | - | - | - | - |
| | TOTAL | 68,13,800 | 100.00 | | 100.00 |

Note: The post issue contains proposed allotment of shares converted into shares.

i. The voting rights will change in tandem with the change in shareholding pattern.

ii. The figures shown in the above table assumes the following:

- The issue and allotment of all the Equity Shares of the issue is to proposed allottees as mentioned in the resolution.
- The holdings of other shareholders do not change.

D. The total number of equity shares to be issued

19,04,760 (Nineteen Lakhs Four Thousand Seven Hundred and Sixty only) equity shares of face value of Rs.10/- each ("Equity Shares") fully paid up, for cash

E. Proposed time within which the allotment shall be completed

The allotment of the Equity Shares are proposed to be completed within 15 days of the date of passing of the above resolutions at the annual general meeting, provided where the allotment is pending on account of pendency of any regulatory authority or Central Government approval(s), the allotment shall be completed within 15 days from the date of receipt of such approval(s).

F. Pricing of Equity Shares

Your Board at its meeting held on 16.08.2018 subject to approval by the Company in General Meeting and requisite statutory approvals, has:



Proposed to offer for subscription by way of preferential allotment up to 19,04,760 Equity Shares of Rs.10/- each to proposed allottees at a price of Rs.21/- (Rupees Twenty One only) per Equity Share (including a premium of Rs.11/- per Equity Share) being a price higher than the price determined as per Regulation 76(1) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009:

- I. The average of the weekly high and low of the closing prices of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; **or**
- II. The average of the weekly high and low of the closing prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

The average price as computed on the above basis during the twenty six weeks preceding the Relevant Date is Rs.20.16/- per equity share whereas during the two weeks preceding the Relevant Date is Rs.19.00/- per equity share. The higher of these two prices calculated is Rs.20.16 and the issue price is Rs. 21.00/-, which is higher than the higher of these two calculated prices.

G. Auditor's Certificate

M/s Dhaval Padiya & Co., Statutory Auditors of the Company, certifying that the issue of shares by way of the proposed preferential allotment is being made in accordance with the requirement of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be placed before the shareholders at the Annual General Meeting.

H. Relevant Date

The "**Relevant Date**" in accordance with the provisions of Regulation 71(a) of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 for the preferential offer means the date as thirty days prior to the date on which this Annual General Meeting of the Company is held, to consider, the proposed preferential offer under Section 62 of the Act.

Accordingly the "Relevant Date" for this preferential offer is **18th August, 2018** for this purpose; **Stock Exchange** means Bombay Stock Exchange of India Limited in which the highest trading volume in the company's shares has been recorded during the two weeks immediately preceding the relevant date.

I. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered value:

Not Applicable.

J. Lock in period:

The Equity Shares allotted pursuant to exercise of entitlement attached to shall be subject to 'lock-in' as per the ICDR Regulations. Such locked-in Equity Shares may however be transferable to and amongst the Promoters/Promoter Group subject to the provisions of ICDR Regulations.

K. Change in control, if any, in the Company that would occur consequent to the preferential offer:

There shall be no change in management or control of the Company pursuant to the issue of the equity shares.

L. UNDERTAKING

The Board of Directors of the Company undertakes that

- The Company undertakes that if require the price shall recomputed in terms of the provisions of the ICDR Regulations. If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the ICDR Regulations, the specified securities shall continue to be locked-in with such amount is paid by the Allottee.



- The proposed allotment of the Equity Shares on a preferential basis, if made, will not result in change in the management or control of the Company as per the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
- The Company is taking necessary steps to obtain the requisite approval/s from the regulatory authorities, as may be applicable, for the proposed investment.
- There has not been any other preferential allotment of shares made during the year.
- The proposed issue of securities is in the interest of the Company and your Directors recommend the passing of the resolution under this item as a Special Resolution.

ITEM No. 4

Mr. Hardikkumar Hemendrakumar Shah (DIN: 08107719) was appointed as Additional Independent Directors of the Company w.e.f. 11/04/2018.

In terms of Section 161 of the Companies Act 2013, they hold office up to the date of this AGM but are eligible for the appointment as Director. They have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act and in terms of SEBI (LODR) Regulations.

As per the provisions of company law and Regulation 25 of the SEBI (LODR), 2015, independent directors are permitted to be appointed for a consecutive period of 5 years without being liable to retire by rotation.

Henceforth it is proposed to appoint Mr. Hardikkumar Hemendrakumar Shah (DIN: 08107719) as independent director under section 149 of the Act and Regulation 25 of the Listing Regulations to hold office for 5 (Five) consecutive years.

The company has received notices in writing from members proposing the candidature of Mr. Hardikkumar Hemendrakumar Shah (DIN: 08107719) for the office of Directors of the Company.

In the opinion of the Board, Mr. Hardikkumar Hemendrakumar Shah (DIN: 08107719) satisfy the criteria for appointment as independent directors as specified in the Act and the Listing Regulations.

**BY ORDER OF THE BOARD OF DIRECTORS OF
BHAKTI GEMS AND JEWELLERY LIMITED**

**Place: Ahmedabad
Date: 16th August, 2018**

**SD/-
Akshay S. Mehta
Managing Director**



DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 8th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. FINANCIAL RESULTS

The Financial performance of the company for the year ended 31st March, 2018 is summarized as follows:

| Particular | Year Ended On 31 st March, 2018 | Year Ended On 31 st March, 2017 |
|---|---|---|
| Income | 38,89,78,838 | 22,90,55,374 |
| Less: Expenditure | (38,63,72,461) | (22,65,53,836) |
| Profit/(Loss) Before Depreciation And Taxes | 26,06,377 | 25,01,538 |
| Less: Depreciation | (79,892) | (52,363) |
| Net Profit/(Loss) Before Tax | 25,26,486 | 24,49,175 |
| Less: Provision For Tax | (6,50,000) | (7,30,000) |
| Deffered Tax | (24,729) | (3,196) |
| Profit/(Loss) After Tax | 18,51,757 | 17,15,979 |

2. FINANCIAL HIGHLIGHTS

Standalone Revenues: During the fiscal 2018, the gross operational profit of the Company stood at Rs. 25,26,486.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

No change of business occurs during the year under review.

4. DIVIDEND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

5. RESERVES

The amounts, as on ended of financial year, Reserves are Rs, 3,71,62,417/-

6. SHARE CAPITAL

During the year under review, the company has not issued and allotted Equity Shares.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 149 of the Act, Mr. Manohar B Chunara has resigned as independent directors of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial personnel of the company are mentioned below:



| Name | Designation | Date of Appointment |
|-------------------------------|-------------------------------|---------------------|
| Akshay Sevantilal Mehta | Managing Director | 30/12/2016 |
| Varshaben Akshay Mehta | Whole Time Director | 17/03/2017 |
| Pratikkumar Rameshbhai Valani | Chief Financial Officer (CFO) | 07/03/2017 |
| Nirav Arvindbhai Shah | Company Secretary | 04/01/2017 |

- **RETIREMENT BY ROTATION**

In accordance with the provisions of the Companies Act, 2013 Mrs. Varshaben Akshay Mehta, Whole Time Director of the company who is liable to retire by rotation, being eligible for reappointment, offers herself for reappointment. Appropriate resolutions for the re-appointment are being placed for your approval at the ensuing AGM.

8. MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year seven Board Meetings and four Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

9. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Various Committees.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with explanation relating to material departures;
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/loss of the company for that period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The directors have prepared the annual accounts on a going concern basis; and
- The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.



- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

12. DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

A. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

➤ **Composition:**

| NAME OF THE DIRECTORS | CATEGORY OF DIRECTORSHIP | REMARKS | NUMBER OF MEETINGS | |
|-------------------------|--------------------------------------|----------|--------------------|----------|
| | | | Held | Attended |
| Milan C Dave | Non-Executive & Independent Director | Chairman | 4 | 4 |
| Vijaykumar B Patel | Non-Executive & Independent Director | Member | 4 | 4 |
| Akshay Sevantilal Mehta | Managing Director | Member | 4 | 4 |

➤ **Terms of reference:**

The broad terms of reference of the Audit Committee are as under:

- Reviewing of the Company's financial reporting process and the disclosure of its financial information
- To ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.



- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

B. NOMINATION AND REMMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The Composition of the Committee is in conformity with the provisions of the said Section.

➤ **Composition:**

| NAME OF THE DIRECTORS | CATEGORY OF DIRECTORSHIP | REMARKS | NUMBER OF MEETINGS | |
|-----------------------|--------------------------------------|----------|--------------------|----------|
| | | | Held | Attended |
| Manoharbhai B Chunara | Non-Executive & Independent Director | Chairman | 2 | 2 |
| Milan C Dave | Non-Executive & Independent Director | Member | 2 | 2 |
| Vijaykumar B Patel | Non-Executive & Independent Director | Member | 2 | 2 |

➤ **Terms of reference:**

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178(5) of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

➤ **Composition:**

| NAME OF THE DIRECTORS | CATEGORY OF DIRECTORSHIP | REMARKS | NUMBER OF MEETINGS | |
|-----------------------|--------------------------|---------|--------------------|----------|
| | | | Held | Attended |



| | | | | |
|-------------------------|--------------------------------------|----------|---|---|
| Milan C Dave | Non-Executive & Independent Director | Chairman | 4 | 4 |
| Vijaykumar B Patel | Non-Executive & Independent Director | Member | 4 | 4 |
| Akshay Sevantilal Mehta | Managing Director | Member | 4 | 4 |

➤ **Details of Investor's grievances/ Complaints:**

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2018 are NIL.

➤ **Compliance Officer:**

Mr. Nirav A Shah is the compliance Officer of the Company for the above purpose.

13. COMPANY'S POLICY RELATING TO PAYMENT OF REMUNERATION TO DIRECTORS:

The Board determines the remuneration payable to the Executive Directors taking into account their qualification, expertise and contribution and based on recommendations of the Nomination and Remuneration Committee. Non-Executive Directors are eligible to receive sitting fees for attending Board / Committee Meetings as decided by the Board within the limits prescribed under the Companies Act, 2013.

The Remuneration policy of the Company is as under:

❖ **Remuneration to Non-Executive Directors:**

A Non-Executive Director is eligible to receive sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.

❖ **Remuneration to Executive Directors:**

The Board in consultation with the Nomination & Remuneration Committee decides the structure for Executive Directors. On the recommendation of the Nomination & Remuneration Committee the Remuneration paid/payable is approved by the Board of Directors and by the members in the General Meeting in terms of provisions applicable from time to time.

14. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is not applicable to the company. And Company does not have any subsidiary.

**15. AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company shall place the matter relating to appointment of M/s Parth Shah & Associates, Chartered Accountants by members at annual general meeting and therefore it is proposed to ratify the appointment of M/s Parth Shah & Associates, Chartered Accountants, as the Statutory Auditors of the Company.

The consent of M/s Parth Shah & Associates, Chartered Accountants along with certificate under Section 139 of the Act has been obtained to the effect that their appointment, if made, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of Auditors of the Company.

16. SECRETARIAL AUDITOR

In terms of Section 204 of the Act and Rules made there under, M/s. Manohar Chunara, Practicing Company Secretary have been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed to this report as "Annexure – B". The report is self-explanatory.

17. AUDITORS' REPORT

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

18. DISCLOSURE ABOUT COST AUDIT

As per the Cost Audit Orders, Cost Audit is not applicable to the Company.

19. INTERNAL AUDIT & CONTROLS

The Company has appointed, external firm as its Internal Auditor. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

20. VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

21. RISK MANAGEMENT POLICY

Pursuant to Section 134(3) (n) of the Companies Act 2013 & SEBI (LODR) Regulation, 2015, the Company has constituted a Business Risk Management Committee. At present the Company has not identified any element of risk which may threaten the existence of the Company.

22. EXTRACT OF ANNUAL RETURN



As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as ANNEXURE I .

23. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report like settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc.

24. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material order has been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future. The company is doing reasonable growth and development.

25. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The company has adequate internal control systems in place. With a view to monitor the Company's performance as well as to make sure that internal checks and controls are operating properly, the Company has appointed external firms of Chartered Accountant as Internal auditor. The audit committee ensures that the internal control systems are adequate and working effectively.

26. DEPOSITS

Your Company has neither invited nor accepted any fixed deposit from the public during the year.

27. PARTICULARS OF LOANS GIVEN, GUARANTEES PROVIDED OR INVESTMENTS MADE UNDER SECTION 186

The Company has not granted any loans, Investment made , guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement.

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 and Listing Obligation Disclosure Regulation (LODR), 2015 during the financial year ended March 31, 2018 are disclosed. Suitable disclosures as required under AS 18 have been made in the Financial Statement. It means there is no related party transaction.

29. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 197 of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request .However as per the provisions of Section 136 of the said Act,



the Annual Report Excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any, member interested in obtaining the information on employee's particulars, which is available for inspection by the members at the registered office of the Company during Business hours on working days of the Company up to the date of ensuing Annual General Meeting, may write to the Company at the registered office of the Company in advance.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall not be applicable to the Company.

31. LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange. Further, the Company is regular in compliances of various clauses and regulations of the Listing Agreement and/or LODR.

32. PARTICULARS REGARDING EMPLOYEES:

During the year under report, none of the employees was in receipt of remuneration exceeding the limit prescribed under Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

33. HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

34. CORPORATE GOVERNANCE

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosures requirement) Regulation, 2015, Report on Corporate Governance is not applicable on the Company as the Company is not having the paid up share capital exceeding Rs. 10 crore and Net worth is exceeding Rs. 25 cores. Further, Company has obtained a Certificate from a Practicing Company Secretaries certifying the same.

35. INSIDER TRADING REGULATIONS

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prohibition of insider trading, as approved and adopted by the Directors and designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information during the period of Trading Window Closure. The Board is responsible for implementation of the Code. All Board of Directors and designated employees have confirmed compliance with the Code. The Board has appointed Nirav A Shah, Compliance officer under the code.



36. ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the continuing support of Shareholders, bankers and Business associates at all levels

BY ORDER OF BOARD OF DIRECTORS

REGISTERED OFFICE:

209, SHREE BALAJI PARAGON,
B/S ROCK REGENCY HOTEL,
OPP. AXIS BANK,
NR. CIRCLE - P, C.G.ROAD,
AHMEDABAD-380009, GUJARAT

SD/-
AKSHAY S MEHTA
AUTHORIZED PERSON

DATE: 16/08/2018

PLACE: AHMEDABAD

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR END ON 31/03/2018

[Pursuant to section92 (3) of the Companies Act, 2013 and rule12 (1) of the Companies (Management and Administration)Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|---|
| i. | CIN | U36910GJ2010PLC060064 |
| ii. | Registration Date | 30/03/2010 |
| iii. | Name of the Company | BHAKTI GEMS AND JEWELLERY LIMITED |
| iv. | Category/Sub-Category of the Company | Company limited by Shares/ Indian Non-govt company |
| v. | Address of the Registered office and Contact details | 209, Shree Balaji Paragon, B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad, Gujarat- 380009 |
| vi. | Whether listed company | listed |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Skyline Financial Services Private Limited D-153a, First Floor Okhla Industrial Area, Phase-I New Delhi - 110020 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr.No | Nameand Description of mainproducts/ services | NIC Code of the Product/ service | % to total turnover of the company |
|-------|---|----------------------------------|------------------------------------|
| 1 | Manufacturing of Gold Ornaments | 36911 | 100% |
| 2 | | | |
| 3 | | | |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

| Sr. No. | NameAnd AddressOf The Company | CIN/GLN | Holding/ Subsidiary /Associate | %of shares held | Applicable Section |
|---------|-------------------------------|---------|--------------------------------|-----------------|--------------------|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 31 st March, 2017) | | | | No. of Shares held at the end of the year (As on 31 st March, 2018) | | | | % Change during theyear |
|-------------------------------|--|-----------|-----------|-------------------|--|----------|---------|-------------------|-------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/ HUF | - | 43,51,600 | 43,51,600 | 89.69 % | 4651600 | - | 4651600 | 68.27% | -23.88% |
| b) Central Govt | - | - | - | - | - | - | - | - | 0 |
| c) State Govt(s) | - | - | - | - | - | - | - | - | 0 |
| d) Bodies Corp | - | - | - | - | - | - | - | - | 0 |
| e) Banks / FI | - | - | - | - | - | - | - | - | 0 |
| f) Any Other | - | - | - | - | - | - | - | - | 0 |
| Sub-total(A)(1):- | - | 43,51,600 | 43,51,600 | 89.69 % | 4651600 | - | 4651600 | 68.27% | -23.88% |
| 2) Foreign | | | | | | | | | |
| g) NRIs- Individuals | - | - | - | - | - | - | - | - | 0 |
| h) Other- Individuals | - | - | - | - | - | - | - | - | 0 |
| i) Bodies Corp. | - | - | - | - | - | - | - | - | 0 |
| j) Banks / FI | - | - | - | - | - | - | - | - | 0 |
| k) Any Other.... | - | - | - | - | - | - | - | - | 0 |
| Sub-total(A)(2):- | - | - | - | - | - | - | - | - | 0 |
| TOTAL A | - | 43,51,600 | 43,51,600 | 89.69 % | 4651600 | - | 4651600 | 68.27% | -23.88% |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | 0% | - | - | - | 0% | 0 |
| b) Banks / FI | - | - | - | 0% | - | - | - | 0% | 0 |
| c) Central Govt | - | - | - | 0% | - | - | - | 0% | 0 |
| d) State Govt(s) | - | - | - | 0% | - | - | - | 0% | 0 |
| e) Venture Capital Funds | - | - | - | 0% | - | - | - | 0% | 0 |
| f) Insurance Companies | - | - | - | 0% | - | - | - | 0% | 0 |

| | | | | | | | | | |
|--|---|---------------|---------------|------------|---------|---|---------|---------|----------------|
| g) FII's | - | - | - | 0% | - | - | - | 0% | 0 |
| h) Foreign Venture Capital Funds | - | - | - | 0% | - | - | - | 0% | 0 |
| i) Others (specify) | - | - | - | 0% | - | - | - | 0% | 0 |
| Sub-total(B)(1) | - | - | - | 0% | - | - | - | 0% | 0 |
| 2. Non Institutions | | | | | - | - | - | 0% | 0 |
| a) Bodies Corp. (i) Indian (ii) Overseas | - | 2,62,000 | 2,62,000 | 46.62 % | - | - | - | 0% | -100.0% |
| b) Individuals (i) Individual shareholders holding nominal share capital up to Rs. 2 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | - | 200 | 200 | 0% | 114200 | - | 114200 | 1.68% | 57100.0 0 % |
| | - | 5,00,000 | 5,00,000 | 10.31 % | 620000 | - | 620000 | 9.10% | 24.00% |
| | | | | | - | | - | | |
| Others(Specify) | | | | | | | 1428000 | 20.96 % | |
| Sub-total(B)(2) | - | 5,00,200 | 5,00,200 | 10.31 % | - | | 2162200 | 31.73% | 57124.0 0% |
| TotalPublic Shareholding (B)=(B)(1)+ (B)(2) | - | 5,00,200 | 5,00,200 | 10.31 % | | | 2162200 | 31.73% | 57124.0 0% |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | 0% | - | - | - | 0% | 0 |
| Grand Total (A+B+C) | - | 48,51,80 0 | 48,51,80 0 | 100% | 6813800 | - | 6813800 | 100.00% | 40.44% |

ii. Shareholding of Promoters

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year (As on 31 st March, 2017) | | | Shareholding at the end of the year (As on 31 st March, 2018) | | | % change in share holding during the year |
|--------|--------------------|---|----------------------------------|--|---|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1. | AKSHAY S MEHTA | 41,52,100 | 85.58% | - | 4302100 | 63.14 | - | 3.61% |
| 2. | VARSHBEN A MEHTA | 1,99,500 | 4.11% | - | 349500 | 5.13 | - | 75.19% |
| | Total | 43,51,60 | 89.69% | - | 4651600 | 68.27 | - | 6.89% |

iii. Change in Promoters' Share holding (please specify, if there is no change)

| S N | PARTICULARS | SHAREHOLDING AT THE BEGINNING OF THE YEAR | | DATE | REASON | Increase/Decrease in share holding | CUMULATIVE SHAREHOLDING DURING THE YEAR | | |
|-----|------------------|---|-------------------|------------|-------------|------------------------------------|---|--------------|-------------------|
| | | NO. OF SHARES | % OF TOTAL SHARES | | | | NO OF SHARES | NO OF SHARES | % OF TOTAL SHARES |
| 1 | AKSHAY S MEHTA | 41,52,100 | 85.58% | 19/03/2018 | Acquisition | 150000 | 4302100 | 63.14 | |
| 2 | VARSHBEN A MEHTA | 1,99,500 | 4.11% | 19/03/2018 | Acquisition | 150000 | 349500 | 5.13 | |

iv. Shareholding pattern of Top Ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. no | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Pinalben R Shah | | | | |
| | At the beginning of the year (As on 31 st March, 2017) | 5,00,000 | 10.31% | 5,00,000 | 10.31% |
| | Changes during the Year | NIL | NIL | NIL | NIL |
| | At the End of the year (As on 31 st March, 2018) | 5,00,000 | 7.34% | 5,00,000 | 7.34% |
| 2 | VIVID OFFSET PRINTERS PRIVATE LIMITED | | | | |
| | At the beginning of the year (As on 31 st March, 2017) | NIL | NIL | NIL | NIL |
| | Changes during the Year | | | | |

| | | | | | |
|----------|--|---------------|-------------|---------------|-------------|
| | Acquisition | 576000 | 8.45 | 576000 | 8.45 |
| | At the End of the year (As on 31 st March, 2018) | 576000 | 8.45 | 576000 | 8.45 |
| 3 | DARSHAN ORNA LIMITED | | | | |
| | At the beginning of the year (As on 31 st March, 2017) | NIL | NIL | NIL | NIL |
| | Changes during the Year Acquisition | 462000 | 6.78 | 462000 | 6.78 |
| | At the End of the year (As on 31 st March, 2018) | 462000 | 6.78 | 462000 | 6.78 |
| 4 | BEELINE BROKING LIMITED | | | | |
| | At the beginning of the year (As on 31 st March, 2017) | NIL | NIL | NIL | NIL |
| | Changes during the Year Acquisition | 210000 | 3.08 | 210000 | 3.08 |
| | At the End of the year (As on 31 st March, 2018) | 210000 | 3.08 | 210000 | 3.08 |
| 5 | RAKSHIT MAHENDRABHAI SHAH | | | | |
| | At the beginning of the year (As on 31 st March, 2017) | NIL | NIL | NIL | NIL |
| | Changes during the Year Acquisition | 120000 | 1.76 | 120000 | 1.76 |
| | At the End of the year (As on 31 st March, 2018) | 120000 | 1.76 | 120000 | 1.76 |
| 6 | MAHENDRABHAI RAMNIKLAL SHAH | | | | |
| | At the beginning of the year (As on 31 st March, 2017) | NIL | NIL | NIL | NIL |
| | Changes during the Year Acquisition | 90000 | 1.32 | 90000 | 1.32 |
| | At the End of the year (As on 31 st March, 2018) | 90000 | 1.32 | 90000 | 1.32 |

v. Shareholding of Directors and Key Managerial Personnel:

| Sr. no | | Shareholding during the year | |
|-----------|--|------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company |
| 1 | AKSHAY S MEHTA | | |
| | At the beginning of the year (As on 31 st March, 2017) | 41,52,100 | 85.58% |
| | Increase due to acquisition of shares | | |
| | At the End of the year (As on 31 st March, 2018) | 43,02,100 | 63.14% |
| 2. | VARSHBEN A MEHTA | | |
| | At the beginning of the year (As on 31 st March, 2017) | 1,99,500 | 4.11% |
| | Increase due to acquisition of shares | | |
| | At the End of the year (As on 31 st March, 2018) | 3,49,500 | 5.13% |

INDEBTEDNESS:

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|---|----------------------------|-----------------|-------------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not | | | | |
| Total (i+ii+iii) | - | - | | - |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 2,74,54,656 | 3,70,000 | | 2,78,24,656 |
| - Reduction | - | | | |
| Net Change | 2,74,54,656 | 3,70,000 | - | 2,78,24,656 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2,74,54,656 | 3,70,000 | | 2,78,24,656 |
| ii) Interest due but not paid | - | | | |
| iii) Interest accrued but not due | | | | |
| Total (i+ii+iii) | 2,74,54,656 | 3,70,000 | - | 2,78,24,656 |

B. Remuneration to other directors: N.A

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---------|---|----------------------------|-----|-----|-----|-----------------|
| | <u>Independent Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify | | | | | Nil |
| | Total (1) | Nil | Nil | Nil | Nil | Nil |
| | <u>Other Non-Executive Directors</u> -Fee for attending board committee meetings -Commission -Others, please specify | | | | | |
| | Total(2) | Nil | Nil | Nil | Nil | Nil |
| | Total(B)=(1+2) | Nil | Nil | Nil | Nil | Nil |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|----------------------|-----|-------|
| | | CEO | Company Secretary | CFO | Total |
| 1. | Gross salary (a)Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961 | | | | |
| 2. | Stock Option | | | | |
| 3. | Sweat Equity | | | | |
| 4. | Commission - as% of profit -others, specify... | | | | |
| 5. | Others, please specify | | | | |
| 6. | Total | Nil | Nil | Nil | Nil |

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD /NCLT/Court] | Appeal made. If any(give details) |
|---------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A.Company | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B.Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C.OtherOfficersInDefault | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |



“Annexure – B”

Secretarial Audit Report for the financial year ended on 31st March, 2018

[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,
Bhakti Gems And Jewellery Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bhakti Gems And Jewellery Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Bhakti Gems And Jewellery Limited** 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2018** 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.
- 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;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009;



- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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
- h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998

And in general, the Company has systems, process and procedure for the compliance of Other Laws Applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, standards etc mentioned above subject to the following observation:

- a) *Filing of certain forms with the Ministry of Corporate Affairs required under the Companies Act, 2013 was not done in time. However for late filing of forms the Company has paid additional fees.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.



I further report that during the audit period, there were no instances of:

- I. Redemption/buy-back of securities.
- II. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- III. Merger/ amalgamation/ reconstruction etc.
- IV. Foreign technical collaborations.

Date: 16/08/2018
Place: Ahmedabad

For, Manohar Chunara
Company Secretary

Sd/-
Mem. No. 26983
COP No. 10093

Note: This report is to be read with our letter of even date which is annexed as Annexure – I and forms an integral part of this report.

**Annexure – I**

To,
The Members,
Bhakti Gems And Jewellery Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices followed by us provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 16/08/2018
Place: Ahmedabad

For, Manohar Chunara
Company Secretary

Sd/-
Mem. No. 26983
COP No. 10093



“Annexure - C”

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis.

| SL. No. | Particulars | Details |
|---------|---|--|
| a) | Name (s) of the related party & nature of relationship | There were no transactions or arrangement which were not at Arm’s Length Basis. |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions’ | |
| f) | Date of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of contracts or arrangements or transactions at Arm’s length basis.

| SL. No. | Particulars | Details | Details |
|---------|---|--|---|
| a) | Name (s) of the related party & nature of relationship | Akshay Mehta He is Husband of Varsha Mehta | Varsha Mehta She is wife of Akshay mhta |
| b) | Nature of contracts/arrangements/transaction | Remuneration of Rs. 11,00,000/- | Remuneration of Rs. 8,80,000/- |
| c) | Duration of the contracts/arrangements/transaction | NA | NA |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | NA | NA |
| e) | Date of approval by the Board | 30/05/2018 | 30/05/2018 |
| f) | Amount paid as advances, if any | NA | NA |

DATE: 16/08/2018
PLACE: AHMEDABAD

For and on behalf of Board

SD/-

SD/-

Managing Director Whole Time Director

**“Annexure – D”****Policy of Nomination and Remuneration Committee of the Company****Policy for Identification Of Persons For Appointment And Removal As Director And Senior Managerial Personnel**

The Committee shall:

1. Identify and ascertain the honesty, reliability, qualification, expertise and experience of the person for appointment as Director or Senior Managerial Personnel and recommend the Board accordingly.
2. The committee must ensure itself regarding the capabilities and eligibilities of the proposed appointee(s) and must ensure that the proposed appointee shall be able to devote the required time as may be necessary.
3. The Committee shall be at discretion to decide whether qualification, expertise and experience possessed by the person is adequate for the proposed position.
4. Any other assessment as may be required must be carried out by the Committee and on being satisfied with the overall eligibility of the person, the committee shall recommend his/her appointment to the Board accordingly.
5. With respect to Independent Directors of the Company the committee shall additionally ensure the independence of the Director as per the applicable provisions of Companies Act, 2013 and the Rules made there under.
6. The Committee may recommend to the Board with the reasons recorded in writing, the removal of Director or Senior Managerial Personnel based on any disqualification that may be applicable as per the provisions of Companies Act, 2013 and the rules made there under or for any other reasons as may be justified by the Committee.

TERM OF APPOINTMENT:

The term of Appointment of Managing Director/ Whole Time Directors and Independent Directors of the Company shall be as per the provisions of the Companies Act, 2013 and the Rules made there under.

RETIREMENT:

The Managing Director/ Whole Time Directors and Independent Directors of the Company shall be subject to retirement as per the applicable provisions of Companies Act, 2013 and the Rules made there under. The Committee will be at its discretion to recommend retention of Directors even after they have attained the retirement age for the benefit of the Company subject to fulfillment of the requirements as mentioned in Companies Act, 2013.

POLICY FOR EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**1. Evaluation of performance of Board and Individual Directors:**

- a. Achievement of financial/ business targets as fixed by the Board;
- b. Proper development, management and execution of business plans;
- c. Display of leadership qualities i.e. correctly anticipating business trends and opportunities;
- d. Establishment of an effective organization structure;
- e. Participation in the Board/Committee Meetings;
- f. Integrity and maintenance of confidentiality;



- g. Any other criteria that may be considered necessary for the evaluation of the performance of the Board may be considered by the Committee.

2. Evaluation of performance of Committee:

- a. Discharge of its functions and duties as per its terms of reference;
- b. Effectiveness of the suggestions and recommendations received;
- c. Conduct of its meeting and procedures followed in this regard.

3. Review of the Implementation of this policy:

The Committee shall review the implementation and compliance of this policy at least once a year.

POLICY FOR REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

The remuneration of the Directors and Key Managerial Personnel must be in accordance with the provisions of Companies Act, 2013 and the Rules made there under. The committee must ensure that:

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.



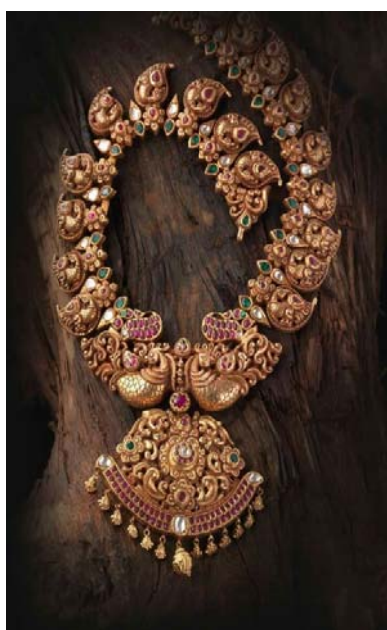
MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 6-7 per cent of the country's GDP. One of the fastest growing sectors, it is extremely export oriented and labour intensive. Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion.



The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 95 per cent of the world's 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). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route.

ABOUT THE BHAKTI GEMS AND JEWELLERY LIMITED



Business Overview:

Our Company is the manufacturer, wholesaler and supplier of gold jewellery and is headquartered at Ahmedabad, Gujarat. Our Company is mainly focused on traditional Indian jewellery. Our products include handmade gold jewellery studded with precious and semi precious stones such as diamond, ruby, cubic zirconia (cz) etc. The jewellery is made as per the specific requirements by the customer and the same are manufactured on job work basis at Ahmedabad, Rajkot and Mumbai. We are a customer-centric Company; our prime focus is to attain the utmost client satisfaction by offering them quality assured products. We also deliver our products in a quality packaging material to ensure safe transport.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of



employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels. With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities. In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year.

RISKS AND CONCERNS:

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliances, economy, financials, Government policies, market related, operational, products and technology etc., The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management.



SWOT ANALYSIS

| | |
|---|---|
| <p><i>Strength (S)</i></p> <ul style="list-style-type: none"> ❖ Customized service gives a unique identity to the company distinct from other players. ❖ Huge customer base to explore new markets across the state ❖ Availability of Low Cost and Skilled technical and professional Manpower. ❖ High-quality jewellery at competitive prices | <p><i>Weakness(W)</i></p> <ul style="list-style-type: none"> ❖ Unpredicted Gold price movements and its impact on margin. ❖ Frequent change in customer preference for jewellery designs. ❖ Mixture of organized and un-organized sector in Jewellery Industry affects profit margins drastically ❖ Operating in a highly competitive environment with uncertain profit margins. |
| <p><i>Opportunities (O)</i></p> <ul style="list-style-type: none"> ❖ High and increasing purchasing power of the people. ❖ Concentrating in one sector makes the company mature in the industry and gain efficiency in operations. ❖ Scaling of economy resultant out of Brand/ Advertisement & Publicity / Procurement of Gold, Product Mix, designs, etc. | <p><i>Threats(T)</i></p> <ul style="list-style-type: none"> ❖ Presence of Small and un-organized industry players affects a sustained growth in the industry. ❖ Competition from family owned business in this sector ❖ Artistic copycats that enter the market and mimic Steve's designs. ❖ The injection of fresh, creative designs in a somewhat stagnant industry. |

Independent Auditor's Report

To the Members of Bhakti Gems and Jewellery Limited.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Bhakti Gems and Jewellery Limited.** ('the Company'), which comprise the balance sheet as at **31 March 2018**, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we have given in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as 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 standalone 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 the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) In our opinion with respect to internal financial control, the said Para is applicable to Company and & hereby attached as **Annexure - B**

(g) With respect to the other matters to be included in the Auditor's 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 explanations given to us:

- i. The Company does not have any pending litigation which would impact its financial position.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which are required to be transferred to the investor education and protection fund by the company.

For, Dhaval Padiya and Co.
Chartered Accountants

Dhaval Padiya
Proprietor
M No: 146291
FRN No. 140653W

Date: 30/05/2018
Place: Ahmedabad

“Annexure - A “to” the Auditors’ Report

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are not held in the name of the Company. As the company has, taken immovable property on rent from the directors.
- (ii) The Company is regular in maintaining physical inventory in accordance with paragraph 3(ii) of the Order applicable to the Company.
- (iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the book of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (viii) The Company has not taken loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

- (ix) The Company has raised Rs.3,92,40,000 money by way of initial public offer. The company has issued and allotted 19,62,000 shares being ` 10 as face value and ` 10 as Securities Premium.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, Dhaval Padiya and Co.
Chartered Accountants

Dhaval Padiya
Proprietor
M No: 146291
FRN No. 140653W

Date: 30/05/2018
Place: Ahmedabad

ANNEXURE B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Bhakti Gems and Jewellery limited** ('the Company') as of 31 March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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' judgment, 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 authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Dhaval Padiya & Co.
Chartered Accountant**

**Dhaval Padiya
(Proprietor)
Firm Reg.No. 140653W
Membership No.:146291**

**Place:- Ahmedabad
Date:30/05/2018**

Bhakti Gems and Jewellers Limited

BALANCE SHEET AS AT 31st MARCH, 2018

| Particulars | Note No. | As at 31st March 2018 | As at 31st March 2017 |
|---|----------|--------------------------|--------------------------|
| I. EQUITY AND LIABILITIES | | | |
| <u>(1) Shareholder's Funds</u> | | | |
| (a) Share Capital | 1 | 6,81,38,000 | 4,85,18,000 |
| (b) Reserves and Surplus | 2 | 3,71,62,417 | 1,56,90,660 |
| (c) Money received against share warrants | | - | - |
| <u>(2) Share Application money pending allotment</u> | | | |
| <u>(3) Non-Current Liabilities</u> | | | |
| (a) Long-Term Borrowings | 3 | 2,78,24,656 | - |
| (b) Deferred Tax Liabilities (Net) | | 27,927 | 3,196 |
| (c) Other Long Term Liabilities | | - | - |
| (d) Long Term Provisions | | - | - |
| <u>(4) Current Liabilities</u> | | | |
| (a) Short-Term Borrowings | | - | - |
| (b) Trade Payables | 4 | 1,06,76,919 | 69,92,835 |
| (c) Other Current Liabilities | 5 | 1,05,450 | 4,11,621 |
| (d) Short-Term Provisions | 6 | 9,97,870 | 7,55,000 |
| Total Equity & Liabilities | | 14,49,33,239 | 7,23,71,312 |
| II. ASSETS | | | |
| <u>(1) Non-Current Assets</u> | | | |
| <u>(a) Fixed Assets</u> | | | |
| (i) Property, Plant and Equipment | 7 | 17,07,922 | 7,49,652 |
| (ii) Immovable Property | | - | - |
| (iii) Capital Work in Progress | | - | - |
| (b) Non-current investments | 8 | 1,65,19,823 | - |
| (c) Deferred tax assets (net) | | - | - |
| (d) Long term loans and advances | 9 | 68,08,516 | 1,58,47,961 |
| (e) Other non-current assets | 10 | 40,12,149 | 9,35,441 |
| <u>(2) Current Assets</u> | | | |
| (a) Current investments | | | |
| (b) Inventories | | 5,63,20,735 | 3,46,89,735 |
| (c) Trade receivables | 11 | 5,30,46,403 | 1,81,15,985 |
| (d) Cash and cash equivalents | 12 | 30,51,052 | 18,45,328 |
| (e) Short-term loans and advances | 13 | 7,000 | 47,000 |
| (f) Other current assets | 14 | 34,59,636 | 1,40,209 |
| Total Assets | | 14,49,33,239 | 7,23,71,312 |
| NOTES TO ACCOUNTS | | 21 | |
| <i>NOTes referred to above and notes attached there to form an integral part of Balance Sheet</i> | | | |
| <i>This is the Balance Sheet referred to in our Report of even date.</i> | | | |
| FOR , DHAVAL PADIYA AND CO. | | | |
| CHARTERED ACCOUNTANTS | | | |
| | | (Director) | (Director) |
| DHAVAL PADIYA | | | |
| (Proprietor) | | | |
| M No. : 146291 | | | Date: 30/05/2018 |
| FRN No. 140653W | | | Place: Ahmedabad |

Bhakti Gems and Jewellers Limited

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH, 2018

| Sr. No | Particulars | Note No. | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|---|------------|--------------------------|--------------------------|
| I | Revenue from operations | 15 | 38,84,92,866 | 22,80,17,806 |
| II | Other Income | 16 | 4,85,972 | 10,37,568 |
| III | III. Total Revenue (I +II) | | 38,89,78,838 | 22,90,55,374 |
| IV | Expenses: | | | |
| | Cost of materials consumed | 17 | 39,91,41,279 | 22,57,71,556 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 18 | (2,16,31,000) | (42,77,635) |
| | Employee Benefit Expense | 19 | 46,63,420 | 33,27,240 |
| | Financial Costs | 20 | 8,14,219 | 6,39,296 |
| | Depreciation and Amortization Expense | | 79,892 | 52,363 |
| | Other Administrative Expenses | 21 | 33,84,542 | 10,93,379 |
| | Total Expenses (IV) | | 38,64,52,353 | 22,66,06,199 |
| V | Profit before exceptional and extraordinary items and tax | (III - IV) | 25,26,486 | 24,49,175 |
| VI | Exceptional Items | | - | - |
| VII | Profit before extraordinary items and tax (V - VI) | | 25,26,486 | 24,49,175 |
| VIII | Extraordinary Items | | - | - |
| IX | Profit before tax (VII - VIII) | | 25,26,486 | 24,49,175 |
| X | Tax expense: | | | |
| | (1) Current tax | | 6,50,000 | 7,30,000 |
| | (2) Deferred tax | | 24,729 | 3,196 |
| XI | Profit(Loss) from the perid from continuing operations | (IX-X) | 18,51,757 | 17,15,979 |
| XII | Profit/(Loss) from discontinuing operations | | - | - |
| XIII | Tax expense of discounting operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV | Profit/(Loss) for the period (XI + XIV) | | 18,51,757 | 17,15,979 |
| | Add:- Transfer from reserve | | - | - |
| | Less: Proposed Dividend | | - | - |
| | Less: Tax on Dividend | | - | - |
| | Balance Carried Forward to Balance Sheet | | 18,51,757 | 17,15,979 |
| XVI | Earning per equity share: | | | |
| | (1) Basic | | 0.27 | 1.21 |
| | (2) Diluted | | 0.27 | 1.21 |

NOTES TO ACCOUNTS

22

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

FOR , DHAVAL PADIYA AND CO.

CHARTERED ACCOUNTANTS

(Director)

(Director)

DHAVAL PADIYA

(Proprietor)

M No. : 146291

FRN No. 140653W

Date: 30/05/2018

Place: Ahmedabad

Bhakti Gems and Jewellers Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

| PARTICULARS | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|-----------------------------|-----------------------------|
| | | Rs. |
| A. Cash Flow from Operating Activity | | |
| Profit before Taxation and Extra Ordinary Items | 25,26,486 | 24,49,175 |
| Add : Non Cash & Non Operating Expenses | | |
| Depreciation | 79,892 | 52,363 |
| Interest Expenses | 8,14,219 | 6,39,296 |
| | 87,434 | |
| | 12,97,106 | |
| Preliminary Expenses Write Off | - | 2,40,864 |
| Operating Profit before Working Capital Changes | 48,05,137 | 33,81,698 |
| Adjustment for; | | |
| (Increase)/Decrease in Trade and Other Receivables | | |
| (Increase) / Decrease in Inventory | (2,16,31,000) | (42,77,634) |
| (Increase) / Decrease in Debtors | (3,49,30,418) | (19,82,488) |
| Increase/(Decrease) in Trade Payables | 36,84,084 | 26,46,265 |
| (Increase)/ Decrease in Loans & Advances | 90,79,445 | (1,58,53,569) |
| (Increase) / Decrease in Current Assets | (33,19,427) | 2,59,04,396 |
| Increase / (Decrease) in Current Liabilities & Provisions | (63,301) | (10,75,763) |
| Cash Generated from Operation | (4,23,75,480) | 87,42,905 |
| Taxes Paid | 6,74,729 | - |
| Net Cash Flow from Operating Activities | (4,30,50,209) | 87,42,905 |
| B. Cash Flow from Investing Activity | | |
| (Increase) / Decrease in Fixed Assets (net) | (9,58,270) | (1,11,102) |
| (Increase) / Decrease in Investments & Accrued Interest | (1,65,19,823) | - |
| Net Cash Flow from Investing Activities | (1,74,78,092) | (1,11,102) |
| C. Cash Flow from Financing Activity | | |
| Proceeds from Issue of Shares | 1,96,20,000 | 3,43,26,000 |
| Proceeds from Securities Premium | 1,96,20,000 | (86,09,979) |
| Increase / (Decrease) in Short term Borrowings | | - |
| Increase / (Decrease) in Long term Borrowings | 2,78,24,656 | (1,62,84,993) |
| Interest Expenses | (8,14,219) | (6,39,296) |
| Net Cash Flow from Financing Activities | 6,62,50,437 | 87,91,732 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | 57,22,135 | 1,59,929 |
| Opening Balance of Cash & Cash Equivalents | 18,45,328 | 16,85,400 |
| Closing Balance of Cash & Cash Equivalents | 30,51,052 | 18,45,328 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | 12,05,724 | 1,59,928 |

NOTES :

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 . "Cash Flow Statement" issued by ICAI.

2. The previous year figures have been regrouped/restated wherever necessary to confirm to this year's classification.

**FOR , DHAVAL PADIYA AND CO.
CHARTERED ACCOUNTANTS**

**DHAVAL PADIYA
(Proprietor)**

M No. : 146291

FRN No. 140653W

(Director)

(Director)

Date: 30/05/2018

Place: Ahmedabad

Bhakti Gems and Jewellers Limited

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note : 1 Share Capital

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|---|-----------------------|-----------------------|
| 1 | AUTHORIZED CAPITAL 70,00,000 Equity Shares of ` 10/- each. | 7,00,00,000 | 6,50,00,000 |
| | | 7,00,00,000 | 6,50,00,000 |
| 2 | ISSUED , SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> 68,13,800 Equity Shares of ` 10/- each, Fully paid up 48,51,800 Equity Shares of ` 10/- each, Fully paid up | 6,81,38,000 - | - 4,85,18,000 |
| | Total in ` | 6,81,38,000 | 4,85,18,000 |

Following Shareholders hold equity shares more than 5% of the total equity shares of the Company.

| Sr. No | SHARE HOLDER'S NAME | As at 31st March 2018 | As at 31st March 2017 |
|--------|-------------------------|-----------------------|-----------------------|
| 1 | Akshay Sevantilal Mehta | 46,51,600 68.27% | 41,52,100 86.00% |
| 2 | Pinal R Shah | - | 5,00,000 10.00% |
| 3 | Varshaben Akshay Mehta | 3,49,500 5.13% | - - |

Note : 2 Reserve & Surplus

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|--|-----------------------|-----------------------|
| 1 | Capital Reserve | - | - |
| 2 | Capital Redemption Reserve | - | - |
| 3 | Securities Premium reserve | 3,35,94,681 | 1,38,52,127 |
| 4 | Debenture Redemption Reserve | - | - |
| 5 | Revaluation Reserve | - | - |
| 6 | Shares Option Outstanding Account | - | - |
| 7 | General Reserve | - | - |
| 8 | Surplus (Profit & Loss Account) | 35,67,736 | 18,38,533 |
| | Balance brought forward from previous year | 17,15,979 | 1,22,554 |
| | Less: Tax of Ealier years | - | - |
| | Less: Transfer to Profit and Loss A/c | - | - |
| | Add: Profit for the period | 18,51,757 | 17,15,979 |
| | Total in ` | 3,71,62,417 | 1,56,90,660 |

Bhakti Gems and Jewellers Limited

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note : 3 Long Term Borrowings

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|--|-------------------------|-----------------------|
| 1 | Term Loans - From Bank | - | - |
| 2 | From Others Secured Unsecured Loan from Directors | 2,74,54,656 3,70,000 | - - |
| | Total in ` | 2,78,24,656 | - |

Note : 4 Trades Payable

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|---------------------------------------|-----------------------|-----------------------|
| | Trade Paybles (List attached) | 81,46,991 | 69,92,835 |
| | ADV from customers | 25,29,928 | |
| | Total in ` | 1,06,76,919 | 69,92,835 |

Note : 5 Other Current Liabilities

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|------------------------------|-----------------------|-----------------------|
| 1 | Statutory Remittences | - | - |
| | EXCISE | - | 1,40,866 |
| | VAT | - | 33,867 |
| | TDS | 1,05,450 | 2,36,888 |
| | Total in ` | 1,05,450 | 4,11,621 |

Note : 6 Short Term Provisions

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|------------------------------|-----------------------|-----------------------|
| 1 | Short Term Provisions | | |
| | Audit Fees | - | 25,000 |
| | Income tax Provisions | 6,50,000 | 7,30,000 |
| | Unpaid Remuneration /Salary | 3,47,870 | |
| | Total in ` | 9,97,870 | 7,55,000 |

Bhakti Gems and Jewellers Limited

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note : 7 Fixed Asset

| Sr. No | Particulars | Gross Block | | | | Depreciaton | | | | Net Block | |
|--------|--------------------------------------|------------------------|--------------------------|---------------------------|------------------|------------------------|--------------------------|---------------------------|------------------|----------------------|----------------------|
| | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2018 | WDV as on 31.03.2017 |
| (i) | Property, Plant and Equipment | | | | | | | | | | |
| | software | 72,621 | 42,500 | - | 1,15,121 | 15,544 | 13,952 | - | 29,496 | 85,625 | 57,077 |
| | computer | 98,500 | 38,900 | - | 1,37,400 | 62,474 | 10,142 | - | 72,616 | 64,784 | 36,026 |
| | air conditioner | 2,89,250 | 63,282 | - | 3,52,532 | 55,015 | 11,299 | - | 66,314 | 2,86,218 | 2,34,235 |
| | furniture | 1,14,500 | - | - | 1,14,500 | 7,166 | 5,098 | - | 12,264 | 1,02,236 | 1,07,334 |
| | bar code system | 1,25,135 | 17,153 | - | 1,42,288 | 17,396 | 5,731 | - | 23,127 | 1,19,161 | 1,07,739 |
| | office equipment | 60,146 | - | - | 60,146 | 11,154 | 2,327 | - | 13,481 | 46,665 | 48,992 |
| | mobile | 29,552 | - | - | 29,552 | 6,283 | 1,105 | - | 7,388 | 22,164 | 23,269 |
| | camera | 45,800 | - | - | 45,800 | 3,064 | 2,077 | - | 5,141 | 40,659 | 42,736 |
| | cctv camera | 81,857 | - | - | 81,857 | 3,889 | 3,703 | - | 7,592 | 74,265 | 77,968 |
| | weighing scale | 3,200 | 42,550 | - | 45,750 | 152 | 1,662 | - | 1,814 | 43,936 | 3,048 |
| | printer | 13,400 | - | - | 13,400 | 2,172 | 1,820 | - | 3,992 | 9,408 | 11,228 |
| | Vehicle | - | 11,91,211 | 3,57,434 | 8,33,777 | - | 26,383 | 5,408 | 20,975 | 8,12,802 | - |
| | TOTAL | 9,33,961 | 13,95,596 | 3,57,434 | 19,72,123 | 1,84,309 | 85,300 | 5,408 | 2,64,201 | 17,07,922 | 7,49,652 |

Bhakti Gems and Jewellers Limited

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note : 8 Non current Investment

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|----------------------------------|-----------------------|-----------------------|
| a) | <u>Investment in Mutual Fund</u> | 1,65,19,823 | - |
| | | 1,65,19,823 | - |

Note : 9 Long Term Loans and Advances

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|---------------------------|-----------------------|-----------------------|
| a) | <u>From Banks</u> | | |
| | FD With YES Bank | 3,516 | 1,35,00,000 |
| b) | <u>From Others</u> | | |
| | Bhakti ornaments loan A/c | 14,50,000 | 14,50,000 |
| | Darshan Orna | 50,00,000 | 5,42,961 |
| | Rakshit M Shah | 3,55,000 | 3,55,000 |
| | Total in ` | 68,08,516 | 1,58,47,961 |

Note : 10 Other Non Current Assets

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|--|-----------------------|-----------------------|
| 1 | <u>Misc Exp</u> (To the extent not written off) | 40,12,149 | 9,35,441 |
| | Total in ` | 40,12,149 | 9,35,441 |

Note : 11 Trade Recievables

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|---|-----------------------|-----------------------|
| 1 | <u>Outstanding for Less than six months</u> | | |
| | a) Unsecured, Considered Good : | 5,05,69,382 | 1,00,77,020 |
| 2 | <u>adv to suppliers</u> | | |
| | a) Unsecured, Considered Good : | 24,77,021 | 80,38,965 |
| | Total in ` | 5,30,46,403 | 1,81,15,985 |

Bhakti Gems and Jewellers Limited

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2018

Note : 12 Cash & Cash Equivalent

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|-------------------------------------|-----------------------|-----------------------|
| 1 | Cash-in-Hand Cash Balance | 27,058 | 1,29,281 |
| | Sub Total (A) | 27,058 | 1,29,281 |
| 2 | Bank Balance YES Bank | 30,23,994 | 17,16,047 |
| | Sub Total (B) | 30,23,994 | 17,16,047 |
| | Total [A + B] | 30,51,052 | 18,45,328 |

Note :13 Short Terms Loans and Advances

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|-------------------------------|-----------------------|-----------------------|
| 1 | Loans & Advances to Directors | 7,000 | 47,000 |
| | Total in ` | 7,000 | 47,000 |

Note : 14 Other Current Assets

| Sr. No | Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--------|-------------------|-----------------------|-----------------------|
| 1 | TDS Receivable | 49,752 | 99,329 |
| 2 | Prepaid Expenses | - | 32,584 |
| 3 | Accrued Interest | - | 8,296 |
| 4 | Advance Tax | 5,00,000 | - |
| 5 | GST Receivable | 4,25,309 | - |
| 6 | Claim Outstanding | 24,84,575 | - |
| | Total in ` | 34,59,636 | 1,40,209 |

Bhakti Gems and Jewellers Limited

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2018

Note : 15 Revenue from Operations

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|-------------------|--------------------------|--------------------------|
| 1 | Sales | 38,84,92,866 | 22,80,17,806 |
| | Total in ` | 38,84,92,866 | 22,80,17,806 |

Note : 16 Other Income

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|--------------------------------|--------------------------|--------------------------|
| 1 | Interest Income on Mutual Fund | 4,10,106 | 3,15,212 |
| 2 | Interest on FD | 71,075 | 1,38,381 |
| 3 | Labour Income | - | 3,82,598 |
| 4 | Stone Charge Income | - | 1,42,560 |
| 5 | Other Income | 4,791 | 58,817 |
| | Total in ` | 4,85,972 | 10,37,568 |

Note : 17 Cost of Material Consumed

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|--|--------------------------|--------------------------|
| a) | PURCHASES OF RAW MATERIALS AND STORES | | |
| 1 | Purchases | 39,91,41,279 | 22,57,71,556 |
| | Sub-total (a) | 39,91,41,279 | 22,57,71,556 |

Note : 18 Change in Inventories

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|-------------------|--------------------------|--------------------------|
| 1 | Opening Stock | 3,46,89,735 | 3,04,12,100 |
| 2 | Closing Stock | 5,63,20,735 | 3,46,89,735 |
| | Total in ` | (2,16,31,000) | (42,77,635) |

Note : 19 Employment Benefit Expenses

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|----------------------------|--------------------------|--------------------------|
| 1 | Salaries, Bonus, PF & ESIC | 23,23,420 | 11,67,240 |
| 2 | Directors Remuneration | 23,40,000 | 21,60,000 |
| | Total in ` | 46,63,420 | 33,27,240 |

Notes :20 Financial Cost

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|-------------------------|--------------------------|--------------------------|
| 1 | Bank Charges & Interest | 8,14,219 | 6,39,296 |
| | Total in ` | 8,14,219 | 6,39,296 |

Bhakti Gems and Jewellers Limited

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2018

Note : 21 Other Administrative Expenses

| Sr. No | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|--------|-------------------------------------|--------------------------|--------------------------|
| 1 | Audit Fees | 35,000 | 25,000 |
| 2 | Conveyance Expenses | 68,229 | 1,80,777 |
| 3 | Electricity Expenses | 90,790 | 74,120 |
| 4 | Insurance Expenses | 1,32,793 | 50,270 |
| 5 | Income tax | 1,04,289 | - |
| 6 | ROC Expenses | - | 2,40,864 |
| 7 | Membership Expenses | 6,000 | 12,650 |
| 8 | Municipal Taxes | 31,879 | 34,841 |
| 9 | Exhibition Exp | 8,11,399 | 2,42,610 |
| 10 | Office Exp | 58,808 | 20,333 |
| 11 | Telephone Exp | 30,365 | 45,586 |
| 12 | Other Expenses | 2,04,847 | 59,050 |
| 14 | Travelling Exp | 64,993 | 12,160 |
| 15 | Transportation Exp | 70,557 | 88,338 |
| 16 | Interest on Statutory Dues | 2,836 | 6,780 |
| 17 | Donation exp | 1,000 | - |
| 18 | Loss/ Profit on Gold Rate Exchanges | 12,97,106 | - |
| 19 | Repairing exp | 1,08,691 | - |
| 21 | Marketing expenses | 2,64,960 | - |
| | | 33,84,542 | 10,93,379 |

Bhakti Gems and Jewellery Limited.

Significant Accounting Policies and Notes forming parts of Accounts

Note : 22

NOTES ON ACCOUNTS

1. Previous year's figures are regrouped/rearranged wherever necessary.
2. Provision for Taxation for the current year has been made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
3. The balances of Loans and Advances are subject to their confirmation and reconciliation if any.
4. All the Opening Balances are taken as per previous year audit report.
5. Contingent liability in respect of claims against the company not acknowledged as debts against which the company has counter claims aggregating to Rs. is Nil.
6. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business.
7. Information pursuant to paragraph 2, 3, 4, 5 of Part II of the schedule III is given as under so far as it applies to the company.

a) Payment to Statutory Auditors

| | Current Year | Previous Year |
|---------------|--------------|---------------|
| 1. Audit Fees | 35000/- | 25000/- |

8. There is no adjustment required to be made to the profits or loss for complying with ICDS notified u/s 145(2).

**FOR, DHAVAL PADIYA & CO.
CHARTERED ACCOUNTANTS
FRN NO:-140653W**

FOR AND ON BEHALF OF THE BOARD

**DHAVAL PADIYA
PROPRIETOR
MEM. NO.: 146291**

(Director) (Director)

**Place: Ahmedabad
Date: 30.05.2018**

**Place: Ahmedabad
Date: 30.05.2018**

Significant Accounting Policies

A. Basis of preparation of Financial Statements

The Financial statements are prepared under the historical cost convention and on accrual basis in accordance with applicable accounting standards referred to in section 133 read with rule 7 of the Companies (Accounts) rules, 2014.

Accounting policies not specifically referred to otherwise are consistent and in accordance with the generally accepted accounting principles

B. Revenue Recognition

Sales are recorded exclusive of Taxes.

C. Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation, including financial cost till such assets are ready for its intended use.

D. Depreciation

Depreciation is charged on written down value method as per Companies Act 2013.

E. Impairment of Assets

Impairment of assets if any is ordinarily assessed by comparing recoverable value of individual assets with its carrying cost.

F. Inventories

Inventories are valued at cost or net realizable value whichever is lower. Cost in respect of inventories is ascertained on Weighted Average Method.

G. Investments

Long Term Investments are stated at cost. Provision for diminution if any in value of assets is only made when the same is of permanent nature.

H. Retirement Benefits

- i As certified by the management, the company has no liability under the Provident Fund & Super Annuation Fund as the said acts do not apply to the company.
- ii It is explained to us that the company does not provide for any leave encashment and any liability arising thereon shall be paid and dealt with in the books of accounts at the actual time of payment.

I. Prior Period Items

Significant items of Income or Expenditure, which relates to the prior accounting periods, are accounted in the Profit and Loss Account under the head “prior year Adjustments” other than those occasioned by the events occurring during or after the close of the year and which are treated as relatable to the current year.

J. Borrowing Cost

Borrowing cost on working capital is charged against the profit & loss account in which it is incurred.

Borrowing costs that are attributable to the acquisition or construction or manufacture of qualifying assets are capitalized as a part of the cost of such assets till the date of acquisition or completion of such assets. In respect of suspended project for extended period, borrowing costs are not capitalized for such period.

K. Taxes on Income

Taxes on income of the current period are determined on the basis of taxable income and credits computed in accordance with the provisions of the Income tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable and virtual certainty as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

L. Provision, Contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but the same is disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

M. Applicability of AS-18

In accordance with the requirements of Accounting Standard-18 (AS-18) “Related Party Transaction” issued by the Institute of Chartered Accountants of India, the following persons are considered as Related Party as define in AS-18:

| Sr. No | Name | 2017-18 | Relationship | Nature of transaction |
|---------------|----------------|----------------|---------------------|------------------------------|
| 1. | Akshay S Mehta | 11,00,000 | Director | Remuneration |
| 2. | Varsha A Mehta | 8,80,000 | Director | Remuneration |

N. Foreign Currency Transaction

There are no such foreign currency transactions during the year.

O. C/F Value of Import Raw Materials: NIL

P. Expenditure in Foreign Currency: NIL

Q. Earning per Share: The Earning Per Share (AS-20) has been computed as under:

| | |
|------------------------------|------------------|
| (a) Profit after tax | Rs18,51,757/- |
| (b) Equity Share (In Number) | No. 6813800 |
| (c) Nominal value of share | Rs. 10 per share |
| (d) EPS | Rs. 0.27/- |

**FOR, DHAVAL PADIYA & CO.
CHARTERED ACCOUNTANTS
FRN NO:-140653W**

FOR AND ON BEHALF OF THE BOARD

**DHAVAL PADIYA
PROPRIETOR
MEM. NO.: 146291**

(Director) (Director)

**Place: Ahmedabad
Date:30.05.2018**

**Place: Ahmedabad
Date: 30.05.2018**



BHAKTI GEMS AND JEWELLERY LIMITED

(CIN: U36910GJ2010PLC060064)

Registered Office : 209, Shree Balaji Paragon, B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad- 380009, Phone No. -079-26421701

Email-compliancebhakti@gmail.com

Website: www.bhaktijewellery.com

Annual General Meeting – Wednesday, 19th September, 2018

ATTENDANCE SLIP

| | |
|--------------------------------|--|
| Folio No. /Client Id: | |
| Name of Shareholder: | |
| Address of Shareholder: | |

I, hereby record my presence at the Annual General Meeting of the Company to be held on Wednesday, 19th September, 2018 at 03.00 PM at 209, Shree Balaji Paragon, B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad- 380009, Gujarat, India.

Signature of the Member

Notes:

- A. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- B. Member/Proxy who wishes to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.

Member/Proxy should bring his/her copy of the Notice of Extraordinary General Meeting for reference at the meeting.



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Form MGT-11 Proxy Form

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

Annual General Meeting – Wednesday, 19th September, 2018

Name of the shareholder(s): _____

Registered Address: _____

E-mail ID: _____ Folio No ./Client Id : _____ DP ID : _____

I/We, being member(S) of Bhakti Gems and Jewellery Limited, holding _____ share of the company, hereby appoint

A: Name _____

Address: _____

E-mail ID: _____ Signature: _____

Or failing him/her

B: Name _____

Address: _____

E-mail ID: _____ Signature: _____

Or failing him/her

C: Name _____

Address: _____

E-mail ID: _____ Signature: _____

Or failing him/her

As my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the Annual General Meeting of the Company to be held on – Wednesday, 19TH September, 2018 at 03.00 PM at 209, Shree Balaji Paragon, B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad- 380009, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolution | VOTING | |
|--------------------------|---|--------|---------|
| | | FOR | AGAINST |
| ORDINARY BUSINESS | | | |
| 1. | Adoption of the Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon. | | |
| 2. | Re-appointment of Director in place of Mrs. Varshaben A. Mehta (DIN:02988112), who retires by rotation and being eligible, offers herself for reappointment | | |
| 3. | Appointment of M/s Parth Shah and Associates as Statutory Auditors in Place of M/s. Dhaval Padiya & Co Chartered Accountant | | |



| SPECIAL BUSINESS | | | |
|-------------------------|---|--|--|
| 1. | Increase in Authorized Capital | | |
| 2. | Alteration In Capital Clause Of Memorandum Of Association | | |
| 3. | Preferential Issue of Shares | | |
| 4 | To appoint of Mr. Hardikkumar Hemendrakumar Shah as Independent Director of the company | | |