



## BHAKTI GEMS AND JEWELLERY LTD

**Corporate Identification Number: L36910GJ2010PLC060064**

*Our Company was originally incorporated as “Bhakti Gems and Jewellery Private Limited” on March 30, 2010 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently, Our Company was converted in to a public company and consequently name was changed to “Bhakti Gems and Jewellery Limited” vide fresh certificate of incorporation dated January 18, 2017 issued by Registrar of Companies, Ahmedabad, Gujarat.*

**Registered Office:** FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat-380009;

**Tel. No.:** 079-26421701; **Email:** [compliancebhakti@gmail.com](mailto:compliancebhakti@gmail.com); **Website:** [www.bhaktijewellery.com](http://www.bhaktijewellery.com);

**Contact Person:** Mr. Akshay Sevantilal Mehta, Managing Director

<b>OUR PROMOTERS ARE: MR. AKSHAY SEVANTILAL MEHTA AND MRS. VARSHABEN AKSHAY MEHTA</b>		
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BHAKTI GEMS AND JEWELLERY LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY</b>		
<p>ISSUE OF UP TO 50,13,173 EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹12 EACH INCLUDING A SHARE PREMIUM OF ₹2 PER RIGHTS EQUITY SHARE (“ISSUE PRICE”) FOR AN AGGREGATE AMOUNT UP TO ₹ 6,01,58,076 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARES FOR EVERY 2 (TWO) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON WEDNESDAY 31<sup>ST</sup> MAY, 2023 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.2 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 161.</p>		
<b>WILFUL DEFAULTER</b>		
<p>Neither our Company nor any of our Promoters or Directors has been categorized as a Willful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Willful Defaulter(s) issued by the Reserve Bank of India.</p>		
<b>GENERAL RISK</b>		
<p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Document. Specific attention of investors is invited to the statement of “Risk Factors” on page 22 before making an investment in this Issue.</p>		
<b>ISSUER’S ABSOLUTE RESPONSIBILITY</b>		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of offer contains all information with regard to our Company and the Issue which is material in the context of the Issue, that the information contained in this Letter of offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Letter of offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
<b>LISTING</b>		
<p>The existing Equity Shares are listed on the BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received ‘in-principle’ approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated 21<sup>st</sup> April, 2023, respectively. Our Company will also make an application to the Stock Exchanges to obtain the trading approval for the Rights Entitlements as required under the SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/13) dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.</p>		
<p><b>REGISTRAR TO THE ISSUE</b></p> 	<p><b>Skyline Financial Services Pvt. Ltd.</b>  A/506 Dattani Plaza, Andheri Kurla Road, Safed Pool, Mumbai, Maharashtra, 400072  <b>Tel No</b> 22- 28511022/62215779,  <b>E-mail:</b> <a href="mailto:mumbai@skylinerta.com">mumbai@skylinerta.com</a>  <b>Investor Grievance Email:</b> <a href="mailto:grievances@skylinerta.com">grievances@skylinerta.com</a>  Website: <a href="http://www.skylinerta.com">www.skylinerta.com</a>  <b>Contact Person:</b> Mr. Subhash Dhingreja  <b>Tel No:</b> 9920722410  <b>SEBI Registration No.:</b> INR000003241</p>	
<b>ISSUE PROGRAMME</b>		
<b>ISSUE OPENS ON:</b> Friday, 09 <sup>th</sup> June, 2023	<b>LAST DATE FOR ON MARKET RENUNCIATION*</b> Thursday, 15 <sup>th</sup> June, 2023	<b>ISSUE CLOSSES ON:</b> Tuesday, 20 <sup>th</sup> June, 2023
<p><i>* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.</i></p> <p><i># Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i></p>		

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below, which you should consider when reading the information contained herein.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Statement of Special Tax Benefits” and “Financial Statements” beginning on pages 50 and 83, respectively, shall have the meaning given to such terms in such sections.*

#### I. GENERAL TERMS

Bhakti Gems And Jewellery Limited/ BGJL / The Company/ Company/ We/ Us/ Our/ our Company/ the Issuer Company	Unless the context otherwise indicates or implies refers to <b>Bhakti Gems and Jewellery Limited</b> , a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office at <b>FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat-380009</b>
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#### II. COMPANY RELATED TERMS

TERM	DESCRIPTION
Act/ Companies Act	The Companies Act, 2013 and Companies Act, 1956 to the extent applicable.
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time
Auditor / Statutory Auditor	The statutory auditor of our Company, being <b>M/s. Bhagat &amp; Co., Chartered Accountants</b>
Board/ Board of Directors	Board of Directors of our Company, including any committees thereof
Chairman & Managing Director	Chairman of our Company is <b>Mr. Vaibhavkumar Nareshkumar Shah &amp; Managing Director</b> of our Company, being <b>Mr. Akshay Sevantilal Mehta</b> ,
Chief Financial Officer	Chief financial officer of our Company, being <b>Mr. Shah Sanketbhai Rajeshkumar</b>
Company Secretary & Compliance Officer	Company Secretary & Compliance Officer of our Company in this case being, <b>Ms. Nikita Jain</b>
Corporate Promoters	The Company does not have any Corporate Promoters
Director(S)	The director(s) on the Board of our Company, unless otherwise specified
Equity Shareholder	A holder of Equity Shares
Equity Shares	The equity shares of our Company of a face value of <b>₹ 10 each</b> , unless otherwise specified in the context thereof.
ESOS	Bhakti Gems and Jewellery Limited does not have any Stock Option Scheme with its employees
Group Companies	<b>Bhakti Jewels LLP</b> (Partner Akshay Mehta and Meet Mehta)
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act and Regulation 16(1)(b) of the SEBI Listing Regulations.
Key Management Personnel / KMP	Key management/ managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as described in “Our Management – Key Managerial Personnel” on page no. 73
Memorandum / Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time

Promoter(s)	The Promoters of our Company, Viz., <b>Mr. Akshay Sevantilal Mehta</b> and <b>Mrs. Varshaben Akshay Mehta</b>
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	The registered office of our Company located at <b>FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat-380009</b>
Registrar of Companies/ RoC	The Registrar of Companies situated at <b>ROC Bhavan, Opp Rupalben Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India</b>
Shareholders / Equity Shareholder	The equity shareholders of our Company, from time to time
Statutory Auditors	The current statutory auditors of our Company, Viz., <b>M/s. Bhagat &amp; Co., Chartered Accountants</b>
Subsidiaries	Our Company has no Subsidiary as on this date of filing of this Letter of Offer.

### III. ISSUE RELATED TERMS

TERM	DESCRIPTION
Abridged Letter of Offer / ALOF	The Abridged Letter of Offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as Bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, <b>ICICI BANK LTD.</b>
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the issue.
Allotment Date	Date on which the Allotment is made pursuant to this Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renounees who are entitled to make an application for the Equity Shares in terms of this Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant / ASBA Investor	Applicant/Investor proposing to subscribe to the Issue authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.
Banker(s) to the Company	Bhakti Gems and Jewellery Limited is having banking operations with <b>ICICI Bank Limited</b>
Banker(s) to the Issue/ Escrow Collection Bank	Collectively, Escrow Collection Bank, Allotment Account Bank, Demat account, Suspense account and the Refund Bank, in this case being <b>ICICI Bank Limited.</b>
Banker to the Issue Agreement	Agreement dated 10 <sup>th</sup> May, 2023 entered into by and among our Company, the Registrar to the Issue, the Advisor to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.

Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "Terms of the Issue" on page no. 161.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, from the ASBA Investors and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Letter of Offer / LOF	The Letter of Offer dated <b>May 11<sup>th</sup>, 2023</b>
Eligible Equity Shareholder(s)	Existing Equity Shareholders as on the Record Date, i.e. <b>31<sup>st</sup> May, 2023</b> . Please note that the investors eligible to participate in the Issue exclude certain overseas Shareholders. For further details, see "Notice to Investors" on page 14.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, ICICI Bank Ltd.
General Corporate Purposes	General Corporate Purposes General corporate purposes shall have the meanings determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
GIR	General Index Registrar
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, being <b>31<sup>st</sup> May, 2023</b> and the Renouncee(s)

Issue / Rights Issue	Issue of up to <b>50,13,173 equity shares</b> with a face value of <b>₹10 each</b> (“rights equity shares”) of our company for cash at a price of <b>₹12/- each</b> including a share premium of <b>Rs.2/-</b> per rights equity share (“issue price”) for an aggregate amount up to <b>₹ 6,01,58,076*</b> on a rights basis to the existing equity shareholders of our company in the ratio of 1 Right equity shares for every 2 Fully paid-up equity shares held by the existing equity shareholders on the record date, that is on 31 <sup>st</sup> May, 2023 (the “issue”). The issue price for the rights equity shares is <b>1.2</b> Times the face value of the equity shares. *Assuming full subscription and receipt of all Call Monies with respect to RightsEquity Shares.
Issue Closing Date	Tuesday, 20 <sup>th</sup> June, 2023
Issue Opening Date	Friday, 09 <sup>th</sup> June, 2023
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	<b>Rs. 12/- per Rights Equity Share</b>
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Issue of up to <b>50,13,173</b> Rights Equity Shares aggregating to an amount up to <b>₹ 6,01,58,076*</b> . *Assuming full subscription and receipt of all Call Monies with respect to RightsEquity Shares.
Letter of Offer / LOF	This Letter of Offer dated May 11 <sup>th</sup> , 2023 filed with the Stock Exchanges and SEBI and includes any addenda or corrigenda thereto
Material Subsidiaries	Following company have been identified by our Company based on the materiality threshold adopted by our Board under SEBI Listing Regulations as Material Subsidiaries; Our Company does not have any Material Subsidiaries as of now.
MCA Circulars	General Circular No. 21/2020 dated May 11, 2020 issued by the Ministry of Corporate Affairs, Government of India, read with the circular dated August 3, 2020
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see “Objects of the Issue” on page 45.
Non-Institutional Investor(s) / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before Thursday, 15 <sup>th</sup> June, 2023.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Shareholders eligible to apply for the Rights Equity Shares in the Issue, being, Wednesday 31 <sup>st</sup> May, 2023.
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being ICICI Bank Ltd.
Registrar / Registrar to the Company and Issue/RTA	Registrar / Registrar to the Company being Skyline Financial Services Pvt. Ltd.
Registrar Agreement to Issuer	<b>Agreement dated February 09, 2023</b> entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue.

Renouneece(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circular, the Companies Act and any other applicable law
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on <b>15<sup>th</sup> June, 2023</b> , in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through Off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouneece on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements/ REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 1 (One) RIGHTS Equity Shares for every 2 (Two) Equity Shares held by the Eligible Equity Shareholder on the Record Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares / Rights Shares	Equity Shares of our Company having a face value of Rs. 10 per share and to be Allotted pursuant to the Issue.
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and the SEBI Relaxation Circulars
Self-Certified Syndicate Banks / SCSBs	Banks which are registered with the SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, and offer services of ASBA, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Stock Exchanges	BSE where the Equity Shares are presently listed.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	An entity or person categorised as a willful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai and Ahmedabad are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Ahmedabad are open for business. Furthermore, for the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### IV. CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

<b>TERM</b>	<b>DESCRIPTION</b>
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Bn	Billion
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Erstwhile Companies Act, 1956, and new Companies Act, 2013 and the rules made thereunder
Competition Act	Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per Share
ERP	Enterprise Resource Planning
Exchange Information	Collectively constitutes and includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports.
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial year/ FY / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations FVCI Regulations

FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GDP	Gross Domestic Product
Government / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financing Reporting Standards of the International Accounting Standards Board
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015

Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Income-tax Act / I.T. Act / IT Act	Income-tax Act, 1961
I. T. Rules	Income Tax Rules, 1962
India	Republic of India
IPO	Initial public offering
ISIN	International Securities Identification Number allotted by the depository
IT / IT Act	Information Technology, Information Technology Act, 2000
Listing Agreements	Equity listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/3336/2015 dated October 13, 2015
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mn.	Million
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the SEBI (Mutual Fund) Regulations, 1996.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instruments Act, 1881
NSDL	National Securities Depositories Limited
NR / Non-Resident	A person resident outside India, as defined under the FEMA
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NRI	A person resident outside India as Non-Resident Indian, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA.
OCI	Overseas Citizen of India
p.a.	Per Annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Registered Foreign Portfolio Investors / Foreign Portfolio	Foreign portfolio investors as defined under the SEBI FPI Regulations

Investors / FPIs	
Regulation S	Regulations S under the Securities Act
RTGS	Real Time Gross Settlement
RONW	Return on Net Worth
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI PIT Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SDR	Strategic Debt Restructuring
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STT	Securities Transaction Tax
State Government	Government of a state of India
TAN	Tax Deduction Account Number
Trade Marks Act	Trademarks Act, 1999
UAE	United Arab Emirates
U.S.	United States of America
USD	United States Dollar
U. S. QIB	A qualified institutional buyer as defined in Rule 144A under the Securities Act
US Securities Act	United States Securities Act of 1933
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
YoY	Year on Year

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the SEBI ICDR Regulations, the Depositories Act and the rules and regulations made thereunder.

## **NOTICE TO INVESTORS**

The distribution of this Letter of Offer and the issue of the Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer and the CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Letter of Offer/ Abridged Letter of Offer and the CAF, shall not be sent the Letter of Offer/ Abridged Letter of Offer and the CAF.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of offer was filed with BSE for its observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of offer/ Letter of Offer/ Abridged Letter of Offer and the CAF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Letter of offer/ Letter of Offer/ Abridged Letter of Offer and the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances the Letter of Offer/ Abridged Letter of Offer and the CAF must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of offer/ Abridged Letter of Offer and the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Letter of offer/ Abridged Letter of Offer and the CAF is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of offer/ Abridged Letter of Offer and the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Letter of offer/ Letter of Offer/ Abridged Letter of Offer and the CAF nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The contents of the Letter of Offer/ Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

### **NO OFFER IN THE UNITED STATES**

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Letter of Offer/ Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (Securities Act), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (United States or U.S.) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer/ Abridged Letter of Offer and the CAF are being offered in India, but not in the United States. The offering to which the Letter of offer/ Letter of Offer/ Abridged Letter of Offer and the CAF relates is not, and under no circumstances is to be

construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Letter of Offer/ Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Letter of offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION, MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

In this Letter of offer, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Bhakti Gems and Jewellery Limited.

### **Financial Data**

Unless stated otherwise, the financial data in this Letter of offer is derived from the audited Financial Statements of our Company for the 9 months period ended December 31<sup>st</sup>, 2022 and Financial Years ended March 31, 2022, 2021 and 2020 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Letter of offer. The financial year of our Company commences on April 1 and ends on March 31<sup>st</sup>. In this Letter of offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled “Risk Factors” have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

### **Currency and Units of Presentation**

In this Letter of offer, unless the context otherwise requires, all references to (a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India; (b) ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America. All references to the word ‘Lakh’ or ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakhs’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Letter of offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

### **Exchange Rates**

This Letter of offer does not contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

### **Market and Industry Data**

Unless stated otherwise, industry and market data used in this Letter of offer have been obtained or derived from publicly available information. Publicly available Information generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Letter of offer is reliable, it has not been independently verified and neither we, nor any of our affiliates, jointly or severally, make any representation as to its accuracy or completeness. The extent to which the market and industry data used in this Letter of offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section "Risk Factors" beginning on page 22 of this Letter of offer.

### **Conversion rates for foreign currency**

This Letter of offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

**(Rs. per unit of Foreign Currency)**

<b>Name of Currency</b>	<b>As on Dec 31, 2022</b>	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2020</b>
U.S. Dollar	₹ 82.7696	₹ 75.9103	₹ 73.2035	₹ 75.3250

Source: <https://www.exchangerates.org.uk/USD-INR-spot-exchange-rates-history-2022.html>

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Letter of offer which contain words or phrases such as ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘expected to’, ‘future’, ‘intend’, ‘is likely’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘will continue’, ‘would’, or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. However, these are not the exclusive means of identifying forward looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements.

Forward-looking statements contained in this Letter of offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results to differ materially from our Company’s expectations include, among others:

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- Any failure or disruption of our information technology system;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in other countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices; and
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section titled “Risk Factors” beginning on page 22 of this Letter of offer. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements.

In any event, these statements speak only as of the date of this Letter of offer or the respective dates indicated in this Letter of offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward- looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI / Stock Exchange requirements, our Company will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchange.

## SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Letter of offer, including the sections titled “Risk Factors”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Financial Statements”, “Outstanding Litigation and Defaults”, “Terms of the Issue” on pages 22, 45, 54, 66, 83,148 and 161 respectively.

### Summary of our Business

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 are designed by us and 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. Moreover, our ethical trade practices, transparent business dealings and timely delivery of products help us in maintaining cordial relations with our customers. Our Company strives at all times to provide products that offer our customers the designs with superior finish and quality.

Our Promoters **Mr. Akshay Sevantilal Mehta** and **Mrs. Varshaben Akshay Mehta** have around 22 years and 15 years of experience respectively in gems and jewellery industry and with their innovative business ideas, in-depth knowledge and excellent management skills, we have served our customers proficiently. Some of our major customers includes Kalyan Jewellers India Ltd., Soni Dwarksdas Virchand, Ghanshyam Jewellers etc.

For further details, see “*Business Overview*” on page 66.

### Summary of Industry

#### Introduction

The gems and jewellery industry of India contributes 7% to India’s Gross Domestic Product (GDP). The industry employs more than 5 million of skilled and semi-skilled workforce in the country. The sector contributes about 10-12% of India’s total merchandise exports, accounting for the third largest commodity share. During 2021-22, the gems and jewellery exports played an instrumental role in growing India’s overall exports to US\$ 419 billion with a growth of 44% from 2020-21 and 34% from 2019-20.

As per 2020 statistics, India’s gems and jewellery exports account for about 3.5% of the world’s total exports, making it the seventh highest exporter in the globe. The overall gross exports of gems & jewellery stood at US\$ 20.58 billion in FY23 (until September 2022).

India majorly exports cut & polished diamonds, lab-grown synthetic diamonds, colored gemstones, synthetic stone, plain and studded gold jewellery, silver & platinum jewellery, imitation jewellery and articles of gold, silver and others. Western Region is key exporting hub for the gems and jewellery industry contributing almost 77% of the total exports in 2021-22.

#### Market Size

India has 10 special economic zones (SEZ) for gems & jewellery. These zones have more than 500 manufacturing units, which contribute 30% to the country’s total exports.

In 2019, India’s gems & jewellery export sector—which is one of the largest in the world—contributed ~27% to the global jewellery consumption. Market size of the global gems & jewellery sector is likely to expand to US\$ 103.06 billion between 2019 and 2023.

As per Union Budget 2021, the Gem and Jewellery Export Promotion Council has proposed a reduction in import duty on cut and polished diamonds to 2.5%, from the existing 7.5%, in order to double exports of gems & jewellery to US\$ 70 billion by 2025, up from US\$ 35 billion in 2020.

## **Investments/ Developments**

The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or Government of India. The

Government has made hallmarking mandatory for gold jewellery and artefacts and a period of one year is provided for its implementation.

Cumulative FDI inflows in diamond and gold ornaments in India stood at US\$ 1,194.00 million between April 2000 and June 2021 according to Department for Promotion of Industry and Internal Trade (DPIIT).

## **Road Ahead**

In the coming years, growth in gems and jewellery sector would largely be contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sales are expected to account for 1–2% of the fine jewellery segment by 2021–22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry.

The improvement in availability along with the reintroduction of low-cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry. India's gems and jewellery industry is expected to reach US\$ 70 billion by 2025.

Source: <https://www.ibef.org/industry/gems-jewellery-india.aspx>

For further details, see “*Industry Overview*” on page 54.

## **Name of the Promoters**

**Mr. Akshay Sevantilal Mehta** and **Mrs. Varshaben Akshay Mehta** are the promoters of the Company.

## **Objects of the Issue**

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

<b>Particulars</b>	<b>(Rs. In Lakhs)</b>
	<b>Amount</b>
To meet Working Capital requirement of the Company.	536.58
General corporate purposes	25.00
Issue related expenses	40.00
<b>Total Issue Proceeds</b>	<b>601.58</b>

For further details, see “*Objects of the Issue*” on page 45.

## **Intention and extent of participation by our Promoters and Promoter Group**

Pursuant to letter dated April 25, 2022, Mr. Akshay Sevantilal Mehta (“Subscription Letter”), has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, confirm to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company).

Further, our Promoters and certain members of the Promoter Group also reserve the right to apply for, subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any) for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers

open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

### Summary of Financial Information

The following table sets forth summary financial information derived from the Audited Financial Statements of the Company. The financial information as of and for the period ended on December 31<sup>st</sup>, 2022 and the Audited Financial Statements as of and for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020.

Particulars	December 31, 2022 @	(Rs. in Lakhs) As at and for the year ended March 31,		
		2022	2021	2020
Equity Share Capital	1002.63	1002.63	1002.63	1002.63
Net Worth	1639.26	1592.50	1506.04	1481.27
<b>Total Income</b>	<b>7950.78</b>	<b>8897.31</b>	<b>6794.77</b>	<b>5512.71</b>
<b>Profit/ (Loss) after tax</b>	<b>46.76</b>	<b>87.78</b>	<b>26.27</b>	<b>22.75</b>
Basic & Diluted EPS (in ₹)	0.47	0.88	0.27	0.23
Net asset value per Equity Share (in ₹)	16.35	15.88	15.02	14.77
Total borrowings #	NIL	NIL	NIL	106.33

@ Not annualized

# consists of borrowings under current liabilities

### Qualifications of the Auditors

There are no qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to audited standalone financial statements of the Company for the financial year 2021-22, 2020-21 and 2019-20.

### Contingent Liabilities

For details regarding our contingent liabilities, please refer to page no.132 of the “*Financial Statements*” on page 83.

### Related Party Transactions

For details of our related party transactions as per Ind AS 24, please refer to page no. 132 of the “*Financial Statements*” on page 83.

### Financing Arrangements

There have been no financing arrangements whereby our Promoter, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of the Company, other than in the normal course of financing entity during the period of six months immediately preceding the date of this Letter of offer.

### Issuance of Equity Shares for consideration other than cash in the last one year

Our Company has not issued Equity Shares for consideration other than cash during the period of one year preceding the date of this Letter of offer.

### Summary of Outstanding Litigations

For further details on outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of offer, see “*Outstanding Litigations and Defaults*” beginning on page 148 this Letter of offer.

### Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see “*Risk Factors*” on page 22.

### Any split/consolidation of equity shares in the last one year

Our Company has not done any split or consolidation of Equity Shares during the last one year from the date of filing this Letter of offer.

## SECTION II – RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Letter of offer, including the risks and uncertainties described below and the “Financial Statements” on page 83, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 66, 54 and 136, respectively, as well as the other financial information included in this Letter of offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below*

*However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.*

*This Letter of offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “Forward Looking Statements” on page 18.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Letter of offer. For further information, see “Financial Statements” on page 83. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to Bhakti Gems and Jewellery Limited on a standalone basis, while any reference to “we”, “us”, is a reference to Bhakti Gems and Jewellery Limited on a consolidated basis.*

### **INTERNAL RISKS**

**1. Our business is partly dependent on factors affecting consumer spending habit that are out of our control.**

Jewellery purchases are discretionary and are often considered as luxury purchase. Consequently, our business is sensitive to a number of factors that influence consumer spending habit which includes general economic conditions, consumer confidence in future economic conditions, recession and fears of recession, consumer debt, unstable consumer income, conditions in the housing market, interest rates, and inflation. Any fall in demand or a decline in the consumer spending habit could adversely affect our business, financial condition and results of operations.

**2. Any fluctuation in price and supply of raw material for the manufacture of our products, could adversely impact our income.**

Gold Bullion, diamonds, precious and semi-precious stones are the primary raw materials used in the manufacturing process of gold jewellery. Price of gold is volatile in nature and is linked to the international commodity indices. Any increase in the prices of raw materials shall result in the consequent increase in the price of our products. Such increase in price of our products may adversely affect their demand. There is no certainty that such price increase will be sustainable and downward pressure on gross margins and income may occur.

**3. We are dependent upon third parties for supply of our raw materials and any disruption in their supply could disrupt our business and adversely affect our financial results.**

Gold Bullion, diamonds, precious and semi-precious stones are the primary raw materials used in the manufacturing process, contributes significantly to our total raw material cost. We do not enter into any long term agreements with our suppliers and our arrangements with them are generally on short term basis. Hence, there is no assurance that in future also we will be able to source such raw materials at commercially acceptable prices, or at all. This could affect our ability to fulfill our supply commitments or to fulfill them in an economic manner, which will have an adverse effect on our business, financial condition and results of operations.

**4. *We depend on a limited number of customers, and a loss of or significant decrease in business from them could affect our business and have a material adverse impact on our profitability.***

We have in the past and may in the future derive a significant portion of our revenue from a relatively limited number of customers that vary from year to year. Further, we currently do not have any long term contractual arrangements with our significant customers and conduct business with them on the basis of purchase orders that are placed from time to time. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business from our significant customers.

**5. *Our income and sales are subject to seasonal fluctuations and lower income in a peak season may have a disproportionate effect on our results of operations.***

Our income and sales are subject to certain seasonal fluctuations, reflecting higher sales volumes on festivals, wedding season and other occasions such as Durga Puja, Dhanteras, Diwali, Christmas and Valentine's Day which occur in the third and fourth quarter of the fiscal year. While we stock certain inventory to account for this seasonality, our fixed costs form a significant portion of operating costs, are relatively constant throughout the year. Consequently, lower than expected net sales during the third or fourth quarters of the fiscal year or more pronounced seasonal variations in sales in the future could have a disproportionate impact on our operating results for the fiscal year, or could strain our resources and impair our cash flows. Any slowdown in demand for our jewellery during peak seasons or failure by us to accurately anticipate and prepare for such seasonal fluctuations could have a material adverse effect on our business, financial condition and results of operations.

**6. *Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renewal of them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. If we fail to maintain such registrations and licenses or comply with applicable conditions, then such respective regulatory can impose fine on our company or suspend and/or cancel the approval/licenses which may affect our business adversely.

**7. *We may fail to attract and retain qualified designers and craftsmen as competition for skilled personnel is intense.***

The industry in which we operate is labour intensive and our success depends in large part upon our ability to attract, hire, train and retain qualified designers and craftsmen or karigars. There is significant demand for karigars in India with skills necessary to perform the services. A significant increase in the job work charges would increase cost of product and decrease our operating efficiency and profit margins and could lead to adversely affect financial condition and results of operations.

**8. *Our dependency on job worker for the performance of our operation may adversely affect our business.***

We are totally dependent on the job worker for the performance of our operation. We have not entered into written arrangements with any of these job workers, and there can be no assurance that these job workers will continue to be associated with us on reasonable terms, or at all. Although we work closely with these job workers, we do not exercise control over them, and our arrangements with these job workers could involve various risks, including potential interruptions to their operations for factor beyond their or our control, any significant adverse changes in their financial or business conditions, as well as low levels of output or efficiency.

**9. *We have entered into certain related party transactions and may continue to do so.***

We have entered into related party transactions with our Promoters, Promoter Group, Group Entities and Directors. While we believe that all such transactions have been conducted on the arm's length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we may enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 132 of this Letter of offer.

**10. *Our success depends heavily upon our Promoter, Senior Management and Key Managerial Personnel for their continuing services, strategic guidance and financial support.***

Our success depends heavily upon the continuing services of our promoters, senior management and key managerial personnel of our Company. Our Promoters and their experience and vision had played a key role in obtaining our current reputation and status in the market. We would depend significantly on our Key Managerial Persons for continuing our business operations successfully. If any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**11. *We require a number of approvals, licenses, registration and permits for our business and failure to obtain or renew them in a timely manner may adversely affect our operations.***

We may require several statutory and regulatory permits, licenses and approvals in the ordinary course of our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time frame anticipated by us or at all. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension, delay in issuance or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business.

**12. *Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

**13. *Our insurance cover may be inadequate to fully protect us from all losses and may in turn adversely affect our financial condition.***

Our Company believes that its insurance coverage is adequate and consistent with industry standards. Our Company maintains a number of insurance policies to cover our assets, liabilities and risks that we face inherent to our business activities and operations.

Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the terms of our insurance policies will be adequate to cover all damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flow may be affected.

**14. *If we are unable to continue to develop innovative, fashionable and popular designs, demand for our jewellery may decrease.***

Our success depends largely on our ability to anticipate, gauge and respond to the changing consumer preferences and trends in a timely manner, while preserving and strengthening the perception and

authenticity of our products. We must therefore continue to develop innovative and trend-setting jewellery designs that are different from our competitors. Market acceptance of new designs and products is subject to uncertainty and we cannot assure you that our efforts will be successful. The inability of new designs to gain market acceptance could adversely affect our business and financial condition.

**15. *Any changes in regulations or applicable government incentives would adversely affect the Company's operations and growth prospects.***

Our Company is also subject to various regulations. Our Company's business and prospects could be adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which would have a material adverse affect on the Company's operations and financial results.

**16. *The Promoters and Promoter Group will continue to exercise control post completion of the Issue and will have considerable influence over the outcome of matters.***

Upon completion of this Issue, our Promoters and Promoter Group will continue to own a majority of our Equity Shares. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval. Our Promoters will also be in a position to influence any shareholder action or approval requiring a majority vote, except where they may be required by applicable law to abstain from voting. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company even if it is in the best interests of our Company. The interests of our Promoters could conflict with the interests of our other equity shareholders, and the Promoters could make decisions that materially and adversely affect your investment in the Equity Shares.

**17. *We are dependent on third party transportation providers for delivery of raw materials to us from our supplier's delivery of raw materials to our job workers and delivery of our products to our clients. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

Our success depends on the smooth supply and transportation of the raw materials required for our business, delivery of the raw materials to the job worker and transportation of our products to our clients, which are subject to various uncertainties and risks. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver the products to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

**18. *We have not entered into any non-disclosure or confidentiality agreements with our employees or other intermediaries.***

We operate in a highly competitive industry our ability to succeed depends largely on the ability and skill of the job workers to create new and creative designs. Although, we have good terms with our employees, we cannot assure that we will have continued relation with them. Although, we believe that our designs may not be compromised, we cannot assure the same as we have not entered any non-disclosure or other confidentiality agreements with them.

**19. *Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.***

As of the date of this Letter of offer, there are no companies which are involved in the business similar to our business, which are listed on the Indian stock exchanges and accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of accounting ratios of our Company for the purposes of investment in the Issue.

20. ***We have not registered the trademarks used by us for our business and our inability to obtain or maintain these registrations may adversely affect our competitive business position. Our inability to protect or use our intellectual property rights may adversely affect our business.***

We have not applied for the registration of our logo “”. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have a material adverse effect on our business.

Further, if any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim ownership or make use of such trademarks and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position. This may affect our brand value and consequently our business.

21. ***We have not entered into any long-term contracts with any of our customers.***

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

22. ***Our results of operations could be adversely affected by strikes, work stoppages or increased charges by job workers.***

We are unable to assure you that we will not experience disruptions to our operations due to disputes or other problems with our job worker, which may lead to strikes, increased charges. Such issues could have an adverse effect on our business, and results of operations.

23. ***Cancellation or reduction of orders placed by our customers can result in accumulation of excess inventory which may affect the results of operations.***

We generally place orders for our raw materials after receiving orders from our customers. Orders placed by our customers can typically be cancelled unilaterally by them with little or no notice and no compensation. If there is any cancellation or reduction in orders placed by our customers in the future, it may result in unsaleable inventory which may affect our profits and our results of operations.

## **EXTERNAL RISKS**

24. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The following external risks may have an adverse effect on our business and results of operations should any of them materialize:

- a change in the central or state governments or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins; and
- a slowdown in economic growth or financial instability in India could adversely affect our business and results of operations.

25. ***Our business is dependent on economic growth in India.***

The performance and growth of our business are necessarily dependent on economic conditions prevalent

in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

**26. *Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

**27. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**28. *The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.***

The COVID-19 pandemic has had, and may continue to have, a material adverse impact on our business and results of operations. In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India declared national emergencies in response to the COVID-19 pandemic. The global impact of the COVID-19 pandemic continues, with many countries, including the countries where we have our business operations, instituting quarantines and restrictions on travel, operations with reduced workforce, closing financial markets and/or restricting trading, and limiting the operations of non-essential businesses.

In response to the COVID-19 pandemic, the Government of India (“GoI”) imposed a nationwide 21 day lockdown on March 24, 2020 from March 25, 2020 until April 14, 2020, which was subsequently extended until May 31, 2020. Further, from March 2021, there has been a substantial increase in the number of COVID-19 cases in India, which led to additional lockdowns and movement restrictions in different places in India. Further, as a result of the detection of new strains, evolving variants such as the ‘Omicron variant’ and subsequent waves of COVID19 infections throughout the world, we may be subject to further lockdowns or other restrictions in the subsequent years, which may adversely affect our business operations.

Our operations had slowed down during 2020 and 2021. We have almost resumed to full normalcy with requisite precautions in 2022. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

**29. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Following the Issue, our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by BSE Limited, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index- based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the BSE Limited based on the historical volatility in the price and trading volume of the Equity Shares.

BSE Limited is not required to inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell the Equity Shares or the price at which you may be able to sell the Equity Shares at any particular time.

**30. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**31. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**32. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as

shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**33. *There may be less information available about Companies listed on the Indian securities markets compared to information that would be available if we were listed on securities markets in certain other countries.***

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the U.S. and certain other countries. SEBI regulates the Indian capital market (along with the Indian stock exchanges, which also govern the companies whose securities are listed with them) and has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared to information that would be available if that company was listed on a securities market in certain other jurisdictions.

**34. *Statistical and industry data contained in this This Letter of offer may be incomplete or unreliable.***

Statistical and industry data used throughout this This Letter of offer has been obtained from various government and industry publications. We believe the information contained herein has been obtained from sources that are reliable, but we have not independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result data from other market sources may not be comparable. The extent to which the market and industry data presented in this This Letter of offer is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data.

## SECTION III – INTRODUCTION

### THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on April 22, 2022 and Shareholders resolutions via EGM held on June 12, 2022 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

The following is a summary of this Issue and should be read in conjunction with and is qualified in its entirety by, the information detailed in “*Terms of the Issue*” on page 161 of this Letter of offer.

PARTICULARS	SCHEME DETAILS
<b>Equity Shares proposed to be issued</b>	Up to <b>50,13,173</b> Rights Equity Shares
<b>Rights Entitlements</b>	1 Rights Equity Shares for every 2 Equity Shares held on the RecordDate.
<b>Record Date</b>	31 <sup>st</sup> May, 2023
<b>Face value per Equity Share</b>	Rs. 10 per equity share
<b>Issue Price per Rights Equity Share</b>	Rs. 12/- per equity share (including a premium of Rs. 2/- per equity share)
<b>Issue Size</b>	Up to 50 13,173 equity shares of face value Rs. 10 each for cash at a price of Rs.12/- (Including a premium of Rs. 2/-) per Rights Equity Share up to an amount of <b>Rs. 6,01,58,076*</b> .  *Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares
<b>Voting Rights and Dividend</b>	The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company.
<b>Equity Shares issued, subscribed and paid-up prior to the Issue</b>	<b>1,00,26,345</b> Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Equity Shares) and having made fully paid-up</b>	<b>1,50,39,518</b> Equity Shares
<b>Use of Issue Proceeds</b>	For details, see “ <b>Objects of the Issue</b> ” on page 45 of the Letter of offer
<b>Terms of the Issue</b>	For details, see “ <b>Terms of the Issue</b> ” on page 161 of the Letter of offer
<b>Security Code</b>	ISIN: <b>INE986W01016</b> ; BSE: <b>540545</b>

For details in relation fractional entitlements, see "Terms of the Issue-Fractional Entitlements" beginning on page 161 of this Letter of offer.

#### Terms of Payment

<b>Due Date</b>	<b>Amount payable per Equity Shares</b>
Money payable at the time of Application	<b>Rs. 12 (Full payment on application)</b>

## SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Financial Statements. Our summary financial information presented below, is in Rupees in Lakhs and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section “Financial Information” on page 21 of this Letter of offer.

### STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lakhs)

Particulars	Annexure nos.	As on March 31,			
		2022	2021	2020	2019
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	1002.63	1002.63	1002.63	871.86
Share Application Money					
Reserve & Surplus	5	589.86	503.81	478.64	586.66
<b>Total (A)</b>		<b>1592.49</b>	<b>1506.04</b>	<b>1481.27</b>	<b>1458.52</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings					
Deferred Tax Liabilities (Net)	6	1.41	0.78	0.78	0.52
Long Term Provisions					
<b>Total (B)</b>		<b>1.41</b>	<b>0.78</b>	<b>0.78</b>	<b>0.52</b>
<b>Current Liabilities</b>					
Short Term Borrowings	7	1344.94	737.04	-	302.76
Trade Payables	8	49.80	4.81	16.73	31.80
Other Current Liabilities	9	3.37	2.11	1.95	2.26
Short Term Provisions	10	4.79	11.56	11.09	2.46
<b>Total (C)</b>		<b>1402.91</b>	<b>755.52</b>	<b>29.78</b>	<b>339.28</b>
<b>Total (D=A+B+C) - TOTAL LIABILITIES</b>		<b>2996.81</b>	<b>2262.34</b>	<b>1511.83</b>	<b>1798.32</b>
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Asset	11	31.85	24.56	16.87	16.08
Intangible Asset					
Non-Current Investments					
Long Term Loans & Advances					15.75
Other Non-Current Assets		-	-	-	45.11
Deferred Tax Assets					
<b>Total (E)</b>		<b>31.85</b>	<b>24.56</b>	<b>16.87</b>	<b>76.95</b>
<b>Current Assets</b>					
Current Investments					
Inventories	12	1517.17	1692.23	703.80	964.99
Trade Receivables	13	1359.27	439.30	565.81	712.07
Cash & Bank Balances	14	4.92	5.84	26.15	1.71
Short Term Loans & Advances	15			106.33	
Other Current Assets	16	83.59	100.42	92.86	42.61
<b>Total (F)</b>		<b>2964.96</b>	<b>2237.78</b>	<b>1494.96</b>	<b>1721.38</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>		<b>2996.81</b>	<b>2262.34</b>	<b>1151.83</b>	<b>1798.32</b>

**ANNEXURE 02****STATEMENT OF PROFIT & LOSS, AS RESTATED****(Rs. In Lakhs)**

Particulars	Annexure nos.	As on March 31,			
		2022	2021	2020	2019
<b>Revenue</b>					
<b>I. Revenue From Operation</b>					
Sale of Products	17	8775.89	6790.41	5503.91	6228.47
<b>II. Other Income</b>	18	121.42	4.35	8.79	9.17
<b>Total Revenue (I+II)</b>		<b>8897.31</b>	<b>6794.76</b>	<b>5512.70</b>	<b>6237.64</b>
<b>Expenses</b>					
Purchase of Stock-in-Trade	19	8,466.08	7,654.89	5,113.63	6524.07
Changes in Inventories	20	175.05	(988.43)	261.19	(401.78)
Employee Benefit Expenses	21	50.19	33.91	35.36	33.14
Finance Cost	22	50.65	9.08	6.84	12.49
Depreciation and Amortization Expenses		2.13	1.41	1.12	0.99
Other Expenses	23	37.80	49.73	64.56	59.87
<b>Total Expenses</b>		<b>8781.90</b>	<b>6760.61</b>	<b>5482.73</b>	<b>6228.78</b>
<b>Profit before extraordinary items and tax</b>		<b>115.41</b>	<b>34.56</b>	<b>30.00</b>	<b>8.86</b>
<b>Prior period items (Net)</b>					
<b>Net profit before Tax - Operating Income</b>		<b>115.41</b>	<b>34.56</b>	<b>30.00</b>	<b>8.86</b>
<b>Provision for Taxes</b>					
1. Current taxes		27.00	7.00	7.00	2.00
2. Tax adjustment of earlier years					
4. Deferred tax (Assets)\ Liabilities		0.63	0.89	0.25	0.24
<b>Profit after tax and before extraordinary items</b>		<b>87.78</b>	<b>26.67</b>	<b>22.75</b>	<b>6.62</b>
Extraordinary items					
<b>Net Profit after extraordinary items available for appropriation</b>		<b>87.78</b>	<b>26.67</b>	<b>22.75</b>	<b>6.62</b>
Proposed Dividend					
Dividend distribution tax					
<b>Net profit carried to Balance sheet</b>		<b>87.78</b>	<b>26.67</b>	<b>22.75</b>	<b>6.62</b>

**ANNEXURE 03****STATEMENT OF CASH FLOWS, AS RESTATED****(Rs. In Lakhs)**

Particulars	As on March 31,			
	2022	2021	2020	2019
<b>A. Cash Flows From Operating Activities</b>				
Net Profit before Tax	115.41	34.16	30.00	8.86
<b>Adjustments for:-</b>				
Depreciation	2.14	1.41	1.12	0.99
Interest & Finance charges	50.62	9.08	6.84	12.49
Other Income		(4.35)	(1.51)	-3.70
Preliminary Expenses Written Off (Net)				
<b>Operating Cash Generated Before Working Capital Changes</b>	<b>168.16</b>	<b>40.30</b>	<b>36.45</b>	<b>18.64</b>
Decrease (Increase) in Current Investments				
(Increase) / Decrease in Inventory	175.05	(988.43)	325.75	(401.78)
(Increase)/ Decrease in Receivables	(919.98)	126.51	(146.26)	(181.60)
(Increase) / Decrease in Loans and Advances	-	106.33	90.58	52.33
(Increase)/Decrease in Other current assets	16.83	(7.55)	(5.10)	(9.11)
Increase/(Decrease) in Short term borrowing	607.91	737.04	-	(13.84)
Increase/(Decrease) in Trade Payable	44.99	(11.92)	(15.06)	(74.97)
Increase/(Decrease) in Other Liabilities	1.26	0.16	-	-
Increase / (Decrease) in Short Term Provisions	(6.77)	0.47	(6.74)	(6.31)
Increase / (Decrease) in Long Term Provisions	-	-	-	-
<b>Cash generated from operations</b>	<b>87.46</b>	<b>2.91</b>	<b>279.62</b>	<b>(602.81)</b>
Less : Direct taxes (paid) / refund	27.00	7.89	7.00	2.00
Less : Appropriation of Profit	-	-	-	-
<b>Net Cash from before Extra-ordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Extra-ordinary items	-	-	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>60.46</b>	<b>(4.98)</b>	<b>272.62</b>	<b>(604.81)</b>
<b>B. Cash Flows From Investing Activities</b>				
Sale / (Purchase) of Fixed Assets (Net)	(9.43)	(9.10)	(0.78)	-
Sale / (Purchase) of Non-Investments (Net)	-		(10.24)	(4.99)
Interest Received	-	4.35	-	165.20
Finance Cost	(50.62)	(9.08)	-	-
Other Income	-	-	-	-
Long term Loans & Advances	-	-	-	-
Sale of Investment	-	-	-	-
<b>Net Cash Generated From Investing Activities (B)</b>	<b>(60.06)</b>	<b>13.83</b>	<b>11.03</b>	<b>160.21</b>
<b>C. Cash Flow From Financing Activities</b>				
Net Increase/(Decrease) in Short Term Borrowings	-	-	-	28.29
Share Application Money Received	-	-	-	
Proceeds / (Repayment) of Long Term Borrowings	-	-	(302.77)	(3.70)
Increase/(Decrease) in Unsecured Loans	-	-	-	
Proceeds From issue of Share Capital	-	-	-	190.48
Increase/(Decrease) in Share Premium	-	-	-	209.52
Share Issue Expense	-	-	-	-
Adjustments in Reserves and Surplus	(1.32)	(1.50)	-	-

Decrease (Increase) in Long Term Loans & Advances	-	-	-	-
Increase / (Decrease) in Short term Borrowings	-	-	-	-
Interest Expenses	-	-	(6.84)	-12.49
Interest Income	-	-	1.51	3.70
<b>Net Cash from Financing Activities [C]</b>	<b>(1.32)</b>	<b>(1.50)</b>	<b>(308.09)</b>	<b>415.80</b>
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(.92)	(20.31)	(24.44)	(28.80)
Opening Balance of Cash and Cash Equivalents	5.84	26.15	1.71	30.51
Closing Balance of Cash and Cash Equivalents	4.92	5.84	26.15	1.71

## GENERAL INFORMATION

Our Company was originally incorporated as “**BHAKTI GEMS AND JEWELLERY PRIVATE LIMITED**” on March 30, 2010 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, Our Company was converted in to a public company and consequently name was changed to “**BHAKTI GEMS AND JEWELLERY LIMITED**” vide fresh certificate of incorporation dated **January 18, 2017** issued by Registrar of Companies, Gujarat, Ahmedabad.

### Registered Office

**CIN** : L36910GJ2010PLC060064  
**Registration Number** : 060064  
**Address** : FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat-380006  
**Tel No.** : +91 079-26421701  
**Email Id** : [compliancebhakti@gmail.com](mailto:compliancebhakti@gmail.com)  
**Website** : [www.bhaktijewellery.com](http://www.bhaktijewellery.com)  
**Contact Person** : Mr. Akshay Sevantilal Mehta

**Corporate Office**-The Company does not have a separate corporate office. Hence, the registered office and corporate office is one and same.

### Address of the RoC

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad, which is situated at the following address:

**Address** : ROC Bhavan, Opp Rupalben Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013  
**Tel No.** : +91 79 27437597  
**Fax No.** : +91 79 27438371  
**Email Id** : [roc.ahmedabad@mca.gov.in](mailto:roc.ahmedabad@mca.gov.in)

### DESIGNATED STOCK EXCHANGE

**BSE Limited** located at P. J. Towers, Dalal Street, Fort, Mumbai 400 001, Maharashtra, India is the Designated Stock Exchange for the proposed Rights Issues of the Company.

### OUR BOARD OF DIRECTORS

The following table sets out details regarding our Board as on the date of this Letter of Offer:

Name and Designation	Age	DIN	PAN Card No.	Address
Mr. Akshay Sevantilal Mehta; Managing Director	50 Yrs	02986761	AECPM3545E	04/ Pushpak Hill Bunglows, Opp. Prahaldnagar Garden, 100 Feet,Satellite Road Ahmedabad-380015 Gujarat
Mr. Meet Prafulchnadra Mehta : Whole-Time Director	32 Yrs	07542183	BBXPM6287N	A-64 Ishaan-1 Behind Seema Hall Satellite, Manekbag Ahmedabad-380015 Gujarat
Mrs. Varshaben Akshaykumar Mehta; Non-Executive Director	51 Yrs	02988112	AFFPM8459M	04/ Pushpak Hill Bunglows, Opp. Prahaldnagar Garden, 100 Feet,Satellite Road Ahmedabad-380015 Gujarat

Mr. Prafulkumar Jayantilal Sheth Independent Director	56 Yrs	09726936	AQNPS0607A	1/389, Ambicanagar, Near Vijat Hanuman Temple, Ramlila Medan, Palanpur, Gujarat- 385001
Mr. Vaibhav Kumar Shah; Independent Director	37 Yrs	09406867	AYXPS7297N	A-203, Shreekunj Appartment, Near Kanchanbhoomi Flat, Opposite Seema Hall, Satellite, Ahmedabad, Gujarat- 380015

For detailed profile of our Board of Directors, refer to chapter titled **‘Our Management’** on page no. 73 of this Letter of offer.

#### **MANAGING DIRECTOR**

**Name** : **MR. AKSHAY SEVANTILAL MEHTA**  
**Address** : 04/ Pushpak Hill Bunglows, Opp. Prahaladnagar Garden, 100 Feet, Satellite Road, Ahmedabad– 380015, Gujarat, India.  
**Tel No.** : +91 7926421701  
**Email Id** : [compliancebhakti@gmail.com](mailto:compliancebhakti@gmail.com)  
**Website** : [www.bhaktijewellery.com](http://www.bhaktijewellery.com)

#### **CHIEF FINANCIAL OFFICER**

**Name** : **MR. SANKETBHAI RAJESHKUMAR SHAH**  
**Address** : FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat-380006  
**Tel No.** : +91 79-2642 1701  
**Email Id** : [compliancebhakti@gmail.com](mailto:compliancebhakti@gmail.com)  
**Website** : [www.bhaktijewellery.com](http://www.bhaktijewellery.com)

#### **COMPANY SECRETARY & COMPLIANCE OFFICER**

**Name** : **MS. NIKITA JAIN**  
**Address** : E502, Mayfair Meridian cooperative housing society LTD., Plot no. A-2, Ceasar road, Amboli, Off. S. V road, Andheri(w), Mumbai - 400058.  
**Tel No.** : +91 7926421701/02/03  
**Email Id** : [compliancebhakti@gmail.com](mailto:compliancebhakti@gmail.com)  
**Website** : [www.bhaktijewellery.com](http://www.bhaktijewellery.com)

#### **Investor Grievances**

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non- ASBA process, see “Terms of the Issue” on page 161.

#### PEER REVIEW AND STATUTORY AUDITORS

**Name** : **BHAGAT & CO.,CHARTERED ACCOUNTANTS**  
**Address** : 24, Laxmi Chambers, Navjeevan Press Road, Nr. Old High Court, Income Tax, Ahmedabad 380014  
**Tel No.** : +91 9998040610  
**Email Id** : [bhagatco2015@gmail.com](mailto:bhagatco2015@gmail.com)  
**Contact Person** : Mr. Shankar Prasad Bhagat  
**Membership No.** : 052725  
**Firm Registration No.** : 127250W

#### LEGAL ADVISOR TO THE ISSUE

**Name** : **SHAHNAWAZ D SHAIKH**  
**Address** : Mansi Ni Chali, Opp. Big Bazar, Near Aryasamaj Mandir, Ahmedabad-380001  
**Tel No.** : +91 9824408372  
**Email Id** : shahnawazsmarty9@gmail.com

#### REGISTRAR TO THE ISSUE

**Name** : **SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**  
**Address** : A/506 Dattani Plaza, Andheri Kurla Road, Safed Pool, Mumbai-400 072  
**Tel No.** : +91-22- 28511022/62215779  
**Email Id** : [mumbai@skylinerta.com](mailto:mumbai@skylinerta.com)  
**Investor grievance e-mail** : [grievances@skylinerta.com](mailto:grievances@skylinerta.com)  
**Contact Person** : Mr. Subhash Dhingreja  
**Email Id:** : [subhashdhingreja@skylinerta.com](mailto:subhashdhingreja@skylinerta.com)  
**Tel No.** : +91 9920722410  
**Website** : [www.skylinerta.com](http://www.skylinerta.com)  
**SEBI Registration No.** : INR000003241

#### BANKERS TO THE COMPANY

**Name** : **ICICI BANK LIMITED**  
**Address** : JMC House, Opposite Parimal Gardens  
Off CG road, Ambawadi,  
Ahmedabad, Gujarat, India  
**Tel No.** : +91 86574 41265  
**Email Id** : [shilpa.jain@icicibank.com](mailto:shilpa.jain@icicibank.com)  
**Contact Person** : Shilpa Jain  
**Website** : [www.icicibank.com](http://www.icicibank.com)

## **BANKER TO THE ISSUE/ REFUND BANK**

The Banker to the Issue/ the Refund Bank shall be appointed prior to filing of the Letter of Offer.

## **Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

## **Registered Brokers**

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Applicants can submit Application Forms with the Registered Brokers at the Broker Centers, CDPs at Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone numbers, are available at the websites of the NSE at [www.nseindia.com](http://www.nseindia.com) and BSE at [www.bseindia.com](http://www.bseindia.com) respectively, as updated from time to time.

## **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at [https://www1.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](https://www1.nseindia.com/products/content/equities/ipos/asba_procedures.htm) and <https://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> , as updated from time to time.

## **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges.

## **Credit Rating**

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

## **Debenture Trustee**

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

## **Monitoring Agency**

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to comply with the provisions of the SEBI ICDR Regulations including the provisions relating to appointment of monitoring agency.

## **Appraising Entity**

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

## **Expert**

Our Company has received a written consent dated February 11, 2023 from our Statutory Auditors, M/s Bhagat & Co., Chartered Accountants, to include their names in this Letter of offer as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Letter of offer. Such consent has not been withdrawn as on the date of this Letter of offer.

## Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

## Changes in Auditors during the last three years

M/s Bhagat & Co., Chartered Accountants were appointed as Peer Review and Statutory Auditors of our Company at Board Meeting dated 15th April, 2022 due to the casual vacancy occurred upon resignation of M/s. Parth Shah and Associates, Chartered Accountants. Their appointment was approved at the Extra-ordinary General Meeting dated June 12, 2022 to hold the office till the ensuing Annual General Meeting.

At the Annual General Meeting dated 29<sup>th</sup> September, 2022, M/s Bhagat & Co., Chartered Accountants were re-appointed as Peer Review and Statutory Auditors of our Company for the period of five years till the conclusion of Annual General Meeting to be held in the year 2027.

## Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Letter of offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores.

Since the size of this Issue falls below this threshold, this Letter of offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to Rs. 5000.00 lakhs which does not require issuer to file Letter of Offer with SEBI. Issuer has filed Letter of Offer with BSE for obtaining in-principle approval.

## Minimum Subscription

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

## Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>PARTICULARS</b>	<b>SCHEDULE</b>
Issue Opening Date	<b>Friday, 09<sup>th</sup> June, 2023</b>
Last Date for On Market Renunciation of Rights	<b>Thursday, 15<sup>th</sup> June, 2023</b>
Issue Closing Date	<b>Tuesday, 20<sup>th</sup> June, 2023</b>

*The above schedule is indicative and does not constitute any obligation on our Company.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., **16<sup>th</sup> June, 2023** to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., **19<sup>th</sup> June, 2023**.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non- submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see “*Terms of the Issue*” beginning on page 161.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

## CAPITAL STRUCTURE

The share capital of our Company as of the date of this Letter of offer (before and after the Issue) is set forth below:

(Amount in Rs.)

Particulars	Aggregate Value At Nominal Value	Aggregate Value At Issue Price
<b>Authorized Share Capital</b>		
1,50,40,000 Equity Shares of Rs. 10/- each	15,04,00,000	-
<b>Issued, Subscribed And Paid Up Share Capital Before The Issue</b>		
1,00,26,345 Equity Shares of Rs. 10/- each	10,02,63,450	-
<b>Present Issue In Terms Of This Letter of offer <sup>(1)</sup></b>		
50,13,173 Equity Shares of Rs. 10/- each for Cash price of Rs. 12/- per Share including premium of Rs. 2/- per share	5,01,31,730	6,01,58,076
<b>Issued, Subscribed And Paid Up Share Capital After The Issue *</b>		
1,50,39,518 Equity Shares of Rs. 10/- each	15,03,95,180	
<b>Securities Premium Account</b>		
Before the Issue	4,14,69,191	
After the Issue	5,14,95,537*	

*(1) The Issue has been authorised by our Board pursuant to a resolution dated April 22, 2022, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on June 12, 2022.*

*\* Assuming full subscription.*

### Notes to Capital Structure

- 1) There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of offer.
- 2) Our Company does not have any employee stock option scheme or employee stock purchase scheme.
- 3) No Equity Shares have been acquired by the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Letter of offer.
- 4) No Equity Shares have been pledge by our Promoter or Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of offer.
- 5) Intention and extent of participation by our Promoters and Promoter Group**

Pursuant to letter dated April 25, 2022 (“Subscription Letter”), Mr. Akshay Sevantilal Mehta, has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, intend to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company).

Further, our Promoters and certain members of the Promoter Group also reserve the right to apply for, subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any) for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations and in case if acquisition of Rights Equity Shares by our Promoters and our Promoter Group, over and above their Rights Entitlements triggers open offer obligation under SEBI SAST Regulations, our Promoters and our Promoter Group shall comply with the same. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

- 6) The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs.12.73/.
- 7) At any given time, there shall be only one denomination of the Equity Shares of our Company.
- 8) Except as disclosed in this Letter of offer, all Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Letter of offer. Further, the Equity Shares to be allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of Issue, please see section titled “Terms of the Issue” beginning on page 161.

**9) Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchanges in compliance with the SEBI Listing Regulations**

- a. The shareholding pattern of our Company as on December 31<sup>st</sup>, 2022, can be accessed on the website of the BSE at:

<https://www.bseindia.com/stock-share-price/bhakti-gems-and-jewellery-ltd/bgjl/540545/qtrid/116.00/shareholding-pattern/Dec-2022/>

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	2	3929531	3929531	39.19	3929531	39.19	3929531
(B) Public	11792	6096814	6096814	60.81	6096814	60.81	6096814
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-
(C) Non Promoter-Non Public	-	-	-	0.00	-	0.00	-
<b>Grand Total</b>	11794	10026345	10026345	100.00	10026345	100.00	10026345

- b. The statement showing holding of Equity Shares of the person belonging to the category “Promoter and Promoter Group” including details of lock- in, pledge of and encumbrance thereon, as on December 31<sup>st</sup>, 2022 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540545&qtrid=116.00&QtrName=Dec-22>

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of equity shares held in dematerialized form
						Class eg: X	Total	
<b>A1) Indian</b>								
<b>Individuals/Hindu undivided Family</b>		2	3929531	3929531	39.19	3929531	39.19	3929531
Akshay Sevantilal Mehta	Promoter	1	3106378	3106378	30.98	3106378	30.98	3106378
Varshaben Akshay Mehta	Promoter	1	823153	823153	8.21	823153	8.21	823153
<b>Sub Total A1</b>		<b>2</b>	<b>3929531</b>	<b>3929531</b>	<b>39.19</b>	<b>3929531</b>	<b>39.19</b>	<b>3929531</b>
<b>A2) Foreign</b>		-	-	-	-	-	-	-
<b>A=A1+A2</b>		<b>2</b>	<b>3929531</b>	<b>3929531</b>	<b>39.19</b>	<b>3929531</b>	<b>39.19</b>	<b>3929531</b>

c. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2022 can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540545&qtrid=116.00&QtrName=Dec-22>

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in Dematerialized form(Not Applicable)
<b>B1) Institutions (Domestic)</b>	-	-	-	-	-	-	-
<b>B2) Institutions (Foreign)</b>	-	-	-	-	-	-	-
<b>B3) Central Government/ State Government(s)/ President of India</b>	-	-	-	-	-	-	-
<b>B4) Non-Institutions</b>	-	-	-	-	-	-	-
<b>Individual share capital upto Rs. 2 Lacs</b>	11647	4365698	4365698	43.54	4365698	43.54	4365698
<b>Individual share capital in excess of Rs. 2 Lacs</b>	17	636936	636936	6.35	636936	6.35	636936
<b>Any Other (specify)</b>	72	134128	134128	1.34	134128	1.34	134128
<b>Non-Resident Indian (NRI)</b>	39	116158	116158	1.16	116158	1.16	116158
<b>Clearing Members</b>	3	527	527	0.01	527	0.01	527
<b>Bodies Corporate</b>	19	1594615	1594615	15.91	1594615	15.91	1594615
<b>Firm</b>	4	42601	42601	0.42	42601	0.42	42601
<b>HUF</b>	65	91000	91000	0.91	91000	0.91	91000
<b>Sub Total B4</b>	11792	6096814	6096814	60.81	6096814	60.81	6096814
<b>B=B1+B2+B3+B4</b>	11792	6096814	6096814	60.81	6096814	60.81	6096814

d. Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital as on December 31<sup>st</sup>, 2022 is as follows:

Sr. No.	Name of the Shareholder	No. of shares held	% of no. of shares
1.	AKSHAY SEVANTILAL MEHTA	3106378	30.98
2.	VARSHABEN AKSHAY MEHTA	823153	8.21
3.	VIVID MERCANTILE LIMITED	495233	4.94
4.	ARDI ANVESTMENT AND TRADING COMPANY LTD	196203	1.96

## OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses (“Net Proceeds”) towards the following objects:

1. To meet Working Capital requirement of the Company; and
2. General corporate purposes

(Collectively, referred to herein as the “Objects”).

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

### Utilization of Issue Proceeds

The details of the Issue Proceeds are set out below:

Particulars	Amount (Rs. In Lakhs)
Gross Proceeds of the Issue	601.58
Less: Issue related expenses	40.00
<b>Net Proceeds*</b>	<b>561.58</b>

\* Assuming full subscription

### Requirement of Funds

Particulars	Amount (Rs. In Lakhs)
To meet Working Capital requirement of the Company	536.58
General Corporate Purposes	25.00
Issue related expenses	40.00
<b>Total</b>	<b>601.58</b>

### Utilization of Net Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

Particulars	Amount (Rs. In Lakhs)
To meet Working Capital requirement of the Company	536.58
General Corporate Purposes *	25.00
<b>Total*</b>	<b>561.58</b>

Please note that any portion of the Net Proceeds not deployed for the stated Objects in a particular Financial Year will be deployed by our Company in next Financial Year and/ or ahead of the estimated schedule of deployment.

\*Assuming full subscription. The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.

### Means of Finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

## Schedule of Implementation and Deployment of Gross Proceeds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2022-23.

The fund requirement and deployment is based on internal management estimates and our Company's current business plan and is subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy. These estimates have not been appraised by any bank or financial institution.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds of the Issue. In case of delays in raising funds from the Issue, our company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

As we operate in competitive environment, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the objects. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 22 of this Letter of offer.

### Details of utilization of Net Proceeds

#### 1. To meet Working Capital requirement of the Company

Our Company intends to utilize **89.20 %** of the Issue Size in working capital requirements.

We are currently manufacturer, wholesaler and supplier of gold jewellery, going forward we plan to expand our business. Such business is a working capital intensive and since our Debt collection period is also high, as compared to previous year, which creates the shortage of adequate working capital funds, our company proposes to meet the incremental requirement to the extent of Rs. 536.58 Lakhs for the FY 2024 from the Net Proceeds of the Issue.

#### *Basis of estimation of working capital requirement and estimated working capital requirement:*

The details of our Company's working capital as at March 31, 2022 and estimated March 31, 2023 and March 31, 2024, derived from the financial statements, and source of funding of the same are provided in the table below. Our expected working capital requirements for FY 2024 and the proposed funding of such working capital requirements are as set out in the table below:

Particulars	31-Mar-22		31-Mar-23		31-Mar-24	
	Audited	No. of Days	Provisional	No. of Days	Projected	No. of Days
<b>Current Assets</b>						
Inventories	1517.18	63	1113.88	40	1650.46	60
Trade Receivables	1359.27	57	1526.34	56	1550	56
Short Term Loans and Advances	-		-		-	
Cash & Cash Equivalents	4.92		6.95		7.25	
Other Current Assets	83.59		49.29		50.00	
<b>Total (A)</b>	<b>2964.96</b>		<b>2696.46</b>		<b>3548.47</b>	

(Rs. In Lakhs)

<b>Current Liabilities</b>						
Trade payables	49.80	2	41.13		41.00	0.52
Borrowings	1344.94		910.83		910.00	
Other Current Liabilities & Provisions	8.17		32.32		32.00	
<b>Total (B)</b>	<b>1402.91</b>		<b>984.28</b>		<b>983.00</b>	
Working Capital Gap (A)-(B)	<b>1562.05</b>		<b>1712.18</b>		<b>2565.47</b>	
<b>Funding Pattern</b>						
<i>Existing Bank Borrowings *</i>	676.14		431.38		432	
Owned Funds/ Internal Accruals	1592.49		1592.49		2194.06	
<b>Working Capital funding through Rights Issue Proceeds</b>	-				<b>536.58</b>	

*\*For details on the secured and unsecured loan, please refer to chapter titled "Statement of Financial Indebtness" on page no. 134 of this Letter of offer.*

## Justification (FY 2022-23):

We will require working capital to increase based on the following holding periods:-

<b>Inventories</b>	We expect Inventory Holding days to be at appx. 60 Days for Fiscal 2023-24 which will be as per previous years trends.
<b>Trade Receivables</b>	We expect Debtors Holding days to be at appx. 56 days for Fiscal 2023-24 based on our policy to attract new customers
<b>Trade Payables</b>	We expect Creditor's payments days to be appx. 0.52 Days for Fiscal 2023-24 in line with our past experience.

## 2. General corporate purposes

Our Company intends to deploy the balance Net Proceeds aggregating to Rs. 25 Lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

## 3. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed **Rs.40 Lakhs**.

<b>Particulars</b>	<b>Estimates expenses (Rs. In Lakhs)</b>	<b>As a % of total estimated Issue related expenses</b>	<b>As a % of Issue size * #</b>
Fees of Banker to the Issue, Registrar to the Issue, Legal	5.00	12.5%	0.83%
Advisor, Auditor's Fees, including out of pocket expenses	5.00	12.5%	0.83%
Advertising, printing, distribution, marketing and stationery expenses	5.00	12.5%	0.83%
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	25.00	62.5%	4.16%
<b>Total estimated Issue expenses *^</b>	<b>40.00</b>	<b>100%</b>	<b>6.65%</b>

\*Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.

\* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards General Corporate Purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Issue.

^Excluding taxes

#Assuming full subscription

### **Bridge Financing Facilities**

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Letter of offer, which are proposed to be repaid from the Net Proceeds.

### **Interim use of Net Proceeds**

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) and as approved by the Board of Directors or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by the SEBI.

In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

### **Monitoring of Utilization of Funds**

As the size of the Issue does not exceed Rs. 10,000 lakhs, there is no requirement for the appointment of a monitoring agency. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

### **Variation in Objects**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

### **Appraising Agency**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency, in accordance with applicable law.

### **Strategic or Financial Partners**

There are no strategic or financial partners to the Objects of the Issue.

### **Key Industry Regulations for the Objects of the Issue**

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

### **Interest of Promoters and Directors in the objects of the Issue**

None of our Promoter, members of the Promoter Group and Directors have any interest in the Objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

**BHAGAT & CO.**  
**Chartered Accountants**

24 Laxmi Chambers, Navjeevan Press Road, Nr. Old High Court, Income Tax, Ahmedabad – 380014  
Email id: [bhagatco2015@gmail.com](mailto:bhagatco2015@gmail.com), Tel. 079/48988866, Mob: 9998040610

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**STATEMENT OF SPECIAL TAX BENEFITS**

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BHAKTI GEMS AND  
JEWELLERY LIMITED (“THE COMPANY”) AND THE SHAREHOLDERS OF THE  
COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA**

To,  
**The Board of Directors**  
**Bhakti Gems and Jewellery Limited**  
209, Shree Balaji Paragon, B/S Rock Regency Hotel,  
Opp. Axis Bank, Nr. Circle - P, C.G.Road,  
Ahmedabad 380009, Gujarat, India

Dear Sir,

**Re: Proposed rights issue of equity shares of face value of ₹ 10 each (the “Equity Shares” and such offering, the “Issue”) of Bhakti Gems and Jewellery Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’).**

We refer to the proposed right issue of equity shares (the “Offer”) of Bhakti Gems and Jewellery Limited (“the Company”). We enclose herewith the statement (the “Annexure”) showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the “GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively the “Taxation Laws”) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2023-24 relevant to the financial year 2022-23 for inclusion in the Draft Letter of Offer / Letter of Offer (collectively referred to as “Offer Documents”) for the right issue of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

The contents of the enclosed Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.



We do not express any opinion or provide any assurance whether:

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this report and the enclosed Annexure regarding the tax benefits available to the Company and its shareholders in the Offer Documents for the proposed right issue of equity shares which the Company intends to submit to the Securities and Exchange Board of India and BSE Limited (the "Stock Exchange") where the equity shares of the Company are proposed to be listed, as applicable, provided that the below statement of limitation is included in the Offer Documents.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial information and Other Assurance and Related Services Engagements.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer/ Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

For M/s BHAGAT & CO.  
Chartered Accountants  
Firm Registration No.: 127250W



Shankar Prasad Bhagat  
Membership No.052725  
Partner



Place: Ahmedabad  
Date: 11-02-2023  
UDIN: 230527258671WWBA2484

Encl: As above

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BHAKTI GEMS AND JEWELLERY LIMITED (THE "COMPANY"), ITS SHAREHOLDERS

#### I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

##### 1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

##### 2. Special tax benefits available to the shareholders of the Company under the Act

There are no special tax benefits available to the shareholders of the Company.

#### Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.



## ANNEXURE 2

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO BHAKTI GEMS AND JEWELLERY LIMITED (THE "COMPANY"), ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")

#### 1. Special tax benefits available to the Company under the Indirect Tax

There are no special indirect tax benefits available to the Company.

#### 2. Special tax benefits available to the shareholders of the Company under the Indirect Tax

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

#### Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only above-mentioned tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.



## SECTION IV: ABOUT OUR COMPANY INDUSTRY OVERVIEW

*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.*

### **Introduction**

The gems and jewellery industry of India contributes 7% to India's Gross Domestic Product (GDP). The industry employs more than 5 million of skilled and semi-skilled workforce in the country. The sector contributes about 10-12% of India's total merchandise exports, accounting for the third largest commodity share. During 2021-22, the gems and jewellery exports played an instrumental role in growing India's overall exports to US\$ 419 billion with a growth of 44% from 2020-21 and 34% from 2019-20.

As per 2020 statistics, India's gems and jewellery exports account for about 3.5% of the world's total exports, making it the seventh highest exporter in the globe. The overall gross exports of gems & jewellery stood at US\$ 20.58 billion in FY23 (until September 2022).

India majorly exports cut & polished diamonds, lab-grown synthetic diamonds, colored gemstones, synthetic stone, plain and studded gold jewellery, silver & platinum jewellery, imitation jewellery and articles of gold, silver and others. Western Region is key exporting hub for the gems and jewellery industry contributing almost 77% of the total exports in 2021-22.

### **Clusters in the Indian gems & jewellery industry**



# GEMS AND JEWELLERY

**MARKET SIZE**

**SECTOR COMPOSITION**

**KEY TRENDS**

**GOVERNMENT INITIATIVES**

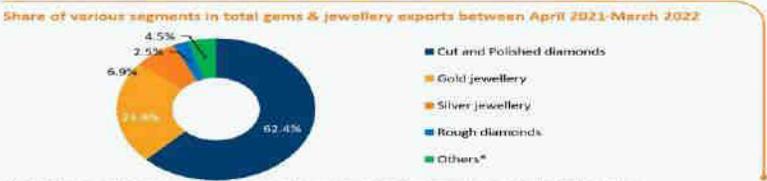
**ADVANTAGE INDIA**

Market Size: **US\$ 100 billion by 2025**

More than **300,000** gems and jewellery players

Contributes about **7%** to India's Gross Domestic Product

Employs over **4.64 million** people



**Gold Monetisation Scheme**

**BIS Hallmark Scheme**

**Sovereign Gold Bond Scheme**

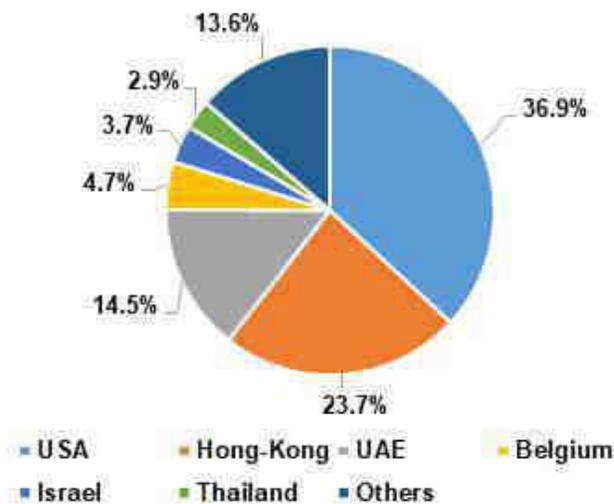
- **Growing demand:** From April-October 2022, India's gems and jewellery exports were at US\$ 23.81 billion, a 1.21% rise compared to the previous year's period. India ranks first among the top exporters in cut & polished diamonds, and second in gold jewellery, silver jewellery and lab-grown diamonds.
- **Increasing Investments:** Cumulative FDI inflows in diamond and gold ornaments in India stood at US\$ 1,213.06 million between April 2000-October 2022, according to the Department for Promotion of Industry and Internal Trade (DPIIT). In September 2021, Malabar Group invested Rs. 750 crore (US\$ 100 million) in a gold refinery and jewellery unit in Hyderabad.
- **Policy support:** The Government has reduced custom duty on cut and polished diamond and colored gemstones from 7.5% to 5% and NIL.
- **Attractive opportunities:** India's gold demand stood at 797.30 tonnes in 2021 and is expected to be in a range of 800-850 tonnes by 2022.

### Market Size

India has 10 special economic zones (SEZ) for gems & jewellery. These zones have more than 500 manufacturing units, which contribute 30% to the country's total exports.

In 2019, India's gems & jewellery export sector—which is one of the largest in the world—contributed ~27% to the global jewellery consumption. Market size of the global gems & jewellery sector is likely to expand to US\$ 103.06 billion between 2019 and 2023.

**Country-wise share of India's gems and jewellery exports**

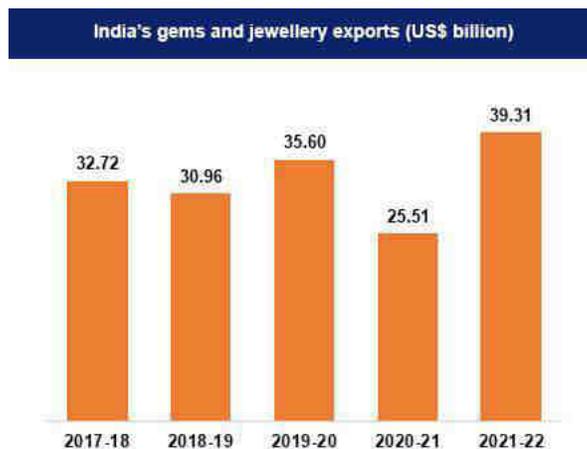


Source: Gems Jewellery Export Promotion Council (GJEPC)

India's gems and jewellery market size was at US\$ 78.50 billion in FY21. Growth in exports is mainly due to revived import demand in the export market of the US and fulfilment of orders received by numerous Indian exhibitors during the Virtual Buyer-Seller Meets (VBSMs) conducted by GJEPC.

India's gems and jewellery exports reached US\$ 39.14 billion in 2021-22, a 54.13% rise from the previous year. In October 2022, India's gems and jewellery exports was at US\$ 1.48 billion. The Government of India is aiming at US\$ 70 billion in jewellery export in the next five years (until 2025), up from US\$ 35 billion in 2020.

## Export Trend



Source: Gems Jewellery Export Promotion Council (GJEPC)

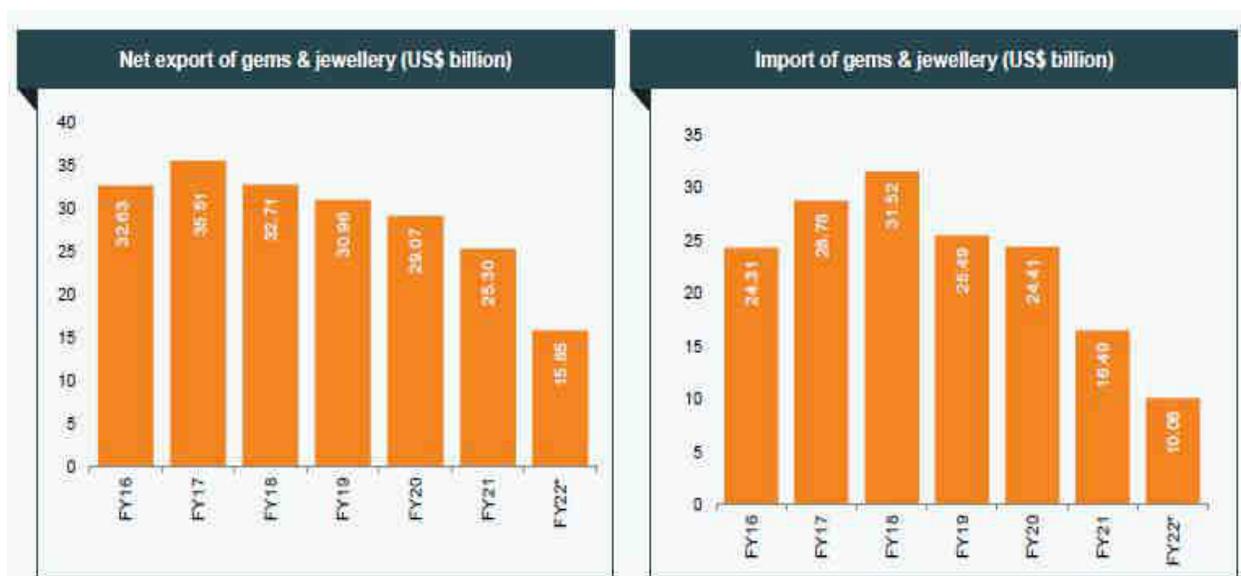
As per 2020 statistics, India's gems and jewellery exports account for about 3.5% of the world's total exports, making it the seventh highest exporter in the globe. The country is ranked first in diamonds jewellery, silver jewellery and lab grown diamonds & Synthetic stones with 29.0%, 22.0% and 32.7% share of the total world's exports respectively. The overall gross exports of gems & jewellery stood at US\$ 20.58 billion in FY23 (until September 2022). The overall gross exports of cut & polished diamonds stood at US\$ 12.22 billion in FY23 (until September 2022).

The Department of Commerce has set a gems and jewellery exports target of US\$ 45.7 billion for 2022-23. The department is committed to enabling exporters by providing a conducive trade environment by bringing up trade-friendly policies to boost exports. The top export targets set for key countries in 2022-23 are USA (US\$ 16.16 billion), Hong Kong (US\$ 11.86 billion), UAE (US\$ 6.36 billion), Belgium (US\$ 2.89 billion), Israel (US\$ 1.66 billion), Thailand (US\$ 1.17 billion), Singapore (US\$ 850 million), Japan (US\$ 462.43 million), France (US\$ 245.5 million) and Botswana (US\$ 246 million).

According to Gem and Jewellery Export Promotion Council, between April 2020 and December 2020, gold bars accounted for ~6.8% (US\$ 678.77 million) and gold jewellery at ~1.8% (US\$ 181.49 million) of the total gems and jewellery imports in India. As per the World Gold Council (WGC), India's gold demand stood at 446.4 tonnes in 2020. In India, gold demand in terms of volume increased by 37% YoY to 140 tonnes and in value terms, the demand increased by 57% YoY to Rs. 58,800 crore (US\$ 7.9 billion) in the first quarter of 2021, according to the World Gold Council. In the second quarter of 2021, gold demand in terms of volume increased by 19% YoY to 76 tonnes and in value terms, the demand increased by 23% YoY to Rs. 32,180 crore (US\$ 7.9 billion).

As of February 2021, India's gold and diamond trade contributed ~7.5% to India's Gross Domestic Product (GDP) and 14% to India's total merchandise exports. The second quarter of 2021 has been better for businesses as establishments were better prepared for lockdowns compared with 2020. Total jewellery demand in terms of volume increased by 25% YoY to 55 tonnes in the second quarter of 2021. The gem and jewellery sector are likely to employ ~8.23 million persons by 2022, from ~5 million in 2020. Based on its potential for growth and value addition, the Government declared gems and jewellery sector as a focus area for export promotion. The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote 'Brand India' in the international market.

### Net export and import of gems & jewellery

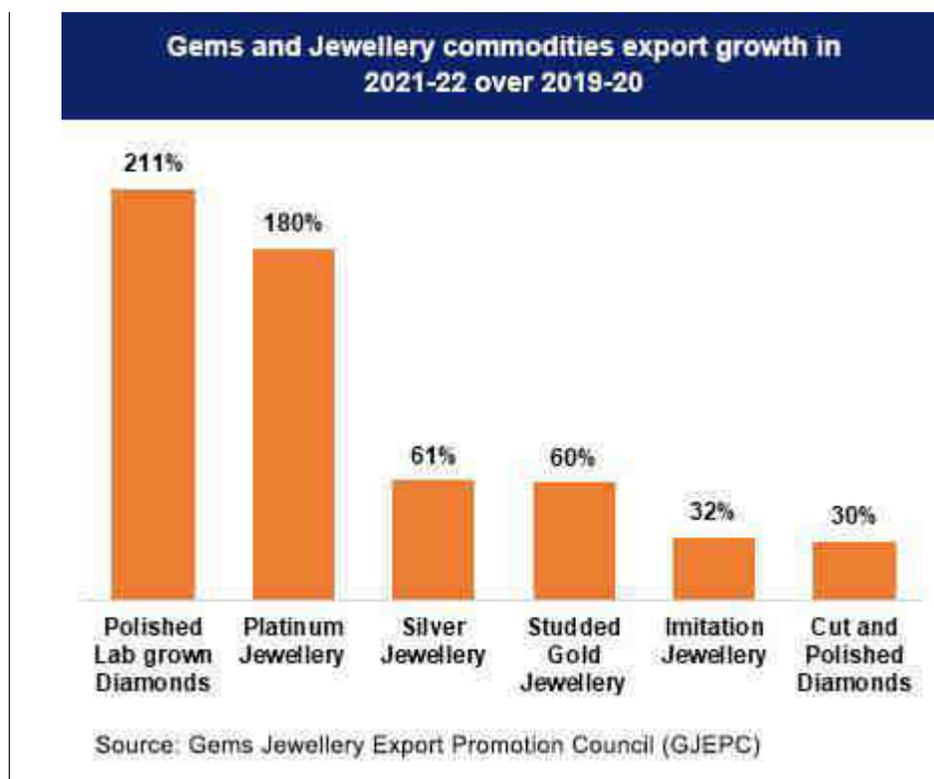


- In FY21, exports of gems & jewellery stood at US\$ 25.30 billion.
- In March 2021, exports of gems & jewellery stood at US\$ 3.42 billion.
- In August 2021, exports of gems & jewellery stood at US\$ 3.28 billion.
- In August 2021, the GJEPC announced an ambitious target of raising exports of the sector to US\$ 44 billion in FY22.
- In September 2020, the US was the biggest importer of gems & jewellery (4 %; worth US \$ 938 .54 million) from India, followed by Hong Kong (~ 33 %) and the UAE (~ 13 %).
- In FY21, imports of gems & jewellery stood at US\$ 16.49 billion.

- In August 2021, India imported gems & jewellery worth US\$1.78billion
- In October 2021, India exported gems & jewellery worth US\$ 4.17 billion compared with the US\$ 2.92 billion recorded in October 2020.
- In FY22 (until October), India exported gems & jewellery worth US\$ 23.65 billion compared with the US\$ 11.482 billion recorded in FY21 (until October).

Growth in exports is mainly due to revived import demand in the export market of the US and fulfilment of orders received by numerous Indian exhibitors during the Virtual Buyer-Seller Meets (VBSMs) conducted by GJEPC. In August 2021, the GJEPC announced a target of raising exports of the sector to US\$ 44 billion in FY22.

### Share of various segments of gems & jewellery in total Exports



- Indian exports of gems & jewellery comprise various items such as cut and polished diamonds, silver and gold jewellery, gold medallions sand coins, rough diamonds, coloured gem stones and others.
- September 2021, Union Minister, Ms. Anupriya Patel, said that reforms such as the revamped gold monetisation scheme, reduction in import duty of gold, hall marking and others would help the industry grow. The market export target is US \$ 43 .75 billion for 2021
- In FY22 (until August 2021), cut and polished diamonds accounted for the highest shares (46.23 %), followed by gold jewellery (14 .0%) and rough diamonds (32 .4%).
- In FY21, cut and polished diamonds accounted for 67 .75 % of the total gems & jewellery exports.
- Gold jewellery accounted for the second-highest shares (19.92%) and silver jewellery accounted for 9.60 % in FY21
- Rough diamonds accounted for 1.37 % of the total gems & jewellery exports in FY21.

## Key Players



## Strategies Adopted

1

### Expansion into new jewellery category

- Retailers are focusing to expand into new jewellery category to attract urban consumers.
- In February 2021, Reliance expanded its e-commerce arm, JioMart, to jewellery with silver coins of 5gm and 10 gm, and gold coins of 1gm, 5gm and 10gm.
  - Reliance's in-house jewellery brand, Reliance Jewels, which has ~93 flagship showrooms and 110 shop-in-shops in 105 cities in the country, will fulfil the orders for the new segment.

2

### Online selling by gems & jewellery retailers

- Jewellery players in India are re-evaluating the brick-and-mortar business model and planning to implement omni-channel approach with focus on digital strategy to boost sales.
- According to the 'Online Gold Market in India' report by The World Gold Council, the online gold market in India, with relatively nascent at 1-2% (as of 2020), is witnessing a strong push from both digital players who view this market as an opportunity and large jewellers who view this market as a required addition to their brick-and-mortar model.

3

### Rising micro and small enterprises (MSEs) players

- Maximum development was driven by MSEs in gems & jewellery and textiles.
- In November 2020, adoption of digital distribution platforms among manufacturers of gems & jewellery, manufacturing mostly non-precious, stone-studded jewellery, imitation jewellery and luxury fashion jewellery, more than quadrupled to 55% from 13% before the pandemic.
- The segment's micro enterprises recorded the highest boost of 41% in November 2020, from the previous 13%.

4

### Introduction of customised jewellery

- Companies have also started selling customised jewellery for customers who prefer to have their jewellery altered as per their own preference, for example, Malabar Gold.

## 5

### Enhanced focus on virtual reality

- Companies such as PC Jewellers, PNG Jewellers, and Popley and Sons are planning to introduce a virtual-reality (VR) experience for their customers. The customer will have to wear a VR headset, through which, they can select any jewellery, see it from different angles and zoom on it to view intricate designs.

## 6

### New product launches

- In June 2021, Tanishq launched antimicrobial jewellery in certain markets as a pilot project. Currently, the range is available in stores across Chennai and Lucknow, with further launches planned in Kolkata and Hyderabad followed by other key markets. Antimicrobial jewellery is being offered in categories such as chains and rings, which feature special-coated layers that self-disinfect the surface and impede any further microbial growth.

## 7

### Expansion

- In April 2021, Malabar Gold & Diamonds announced to invest Rs. 1,600 crore (US\$ 214 million) in FY22 to launch 58 stores, of which 40 would be in India and 16 across global markets. In India, stores will be opened in Tamil Nadu, Telangana, Andhra Pradesh, Karnataka, Maharashtra, Delhi, West Bengal, Uttar Pradesh, Odisha and Kerala. In July 2021, the company announced hiring of >5,000 staff, across its retail operations, brand headquarters and regional offices in the country.

## 8

### Partnerships

- In June 2021, the World Gold Council and Gem and Jewellery Export Promotion Council (GJEPC) signed an agreement to promote gold jewellery in India. Under the agreement terms, both partners will jointly fund a multi-media marketing campaign that would aim to increase awareness, relevance and adoption of gold jewellery amongst Indian consumers, especially in millennials and Gen Z.
- In March 2021, Joyalukkas collaborated with IBM Global Business Services to design, develop and deploy a new cloud-native e-commerce platform across 11 countries including India, the UAE, the US, the UK, Singapore, Malaysia, Bahrain, Qatar, Saudi Arabia, Kuwait and Oman.

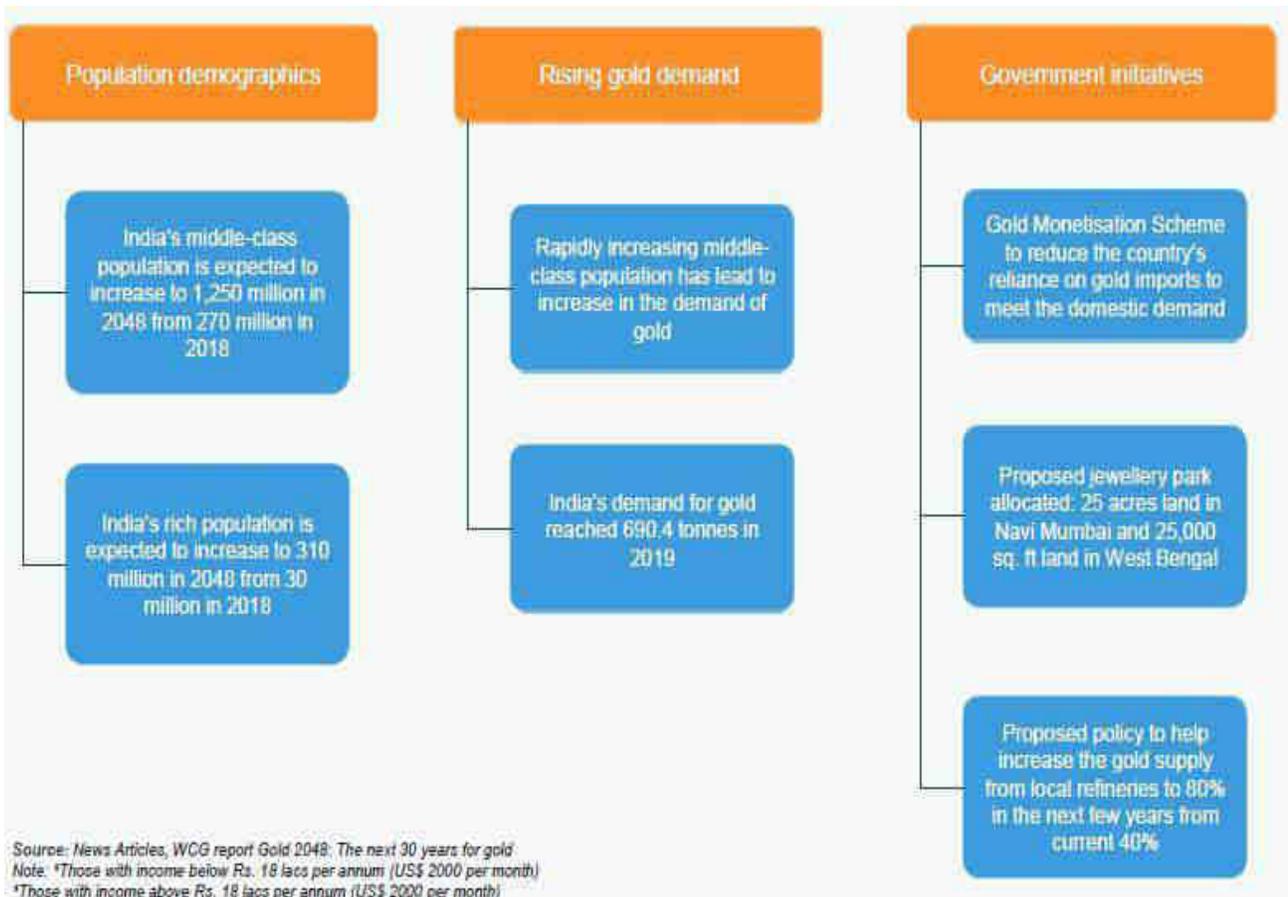
#### Trade and award shows by the GJEPC

- In May 2021, GJEPC and Embassy of India, Morocco, co-hosted the 'India Global Connect' to better understand the present business climate in the gems & jewellery sector and seek trade prospects for manufacturers, exporters and importers from both countries.
- On July 20, 2021, the GJEPC held the 4th edition of 'The Artisan Awards,' India's premier jewellery design competition, at the Four Seasons Hotel in Mumbai. The competition's theme, 'Reinventing Vintage', featured three different eras of jewellery from various cultures. Indian heritage was celebrated through the sub-theme temple jewellery; Japanesque was a nod to Asian inspiration and Victorian was a nod to colonial history to create timeless yet modern silhouettes. National and international participants from Japan, the US, Taiwan, Russia, Egypt, Abu Dhabi, and Australia submitted a total of 586 entries.
- The GJEPC will organise its first International Gems and Jewellery Show (IGJS) outside the country, in Dubai, from August 14-16, 2021. It will also hold a five-day physical exhibition—India International Jewellery show (IIS-2021)—in Bengaluru from September 15-19, 2021, in a first such event outside Mumbai. GJEPC sources said that >250 buyers have registered and >95 stalls have been booked for Dubai IGJS 2021. There will be 150 booths having products such as plain gold, gold-studded jewellery, diamond-studded jewellery, silver jewellery, loose diamonds and gemstones.

#### Knowledge webinars benefitting ~6,500 Gem and jewellery industry professionals

- Since May 2020, GIA India Laboratory Private Limited (an independent subsidiary of the Gemological Institute of America, Inc., is the world's foremost authority in gemmology) has hosted >60 knowledge webinars to equip the gem and jewellery trade with the most up-to-date industry knowledge and advance its consumer protection mission. ~6,500 industry professionals from around the world attended these webinars.
- Participants (manufacturers, wholesalers, traders, retailers and professionals) gained important information on gemmology topics such as 'Navratna', 'Introduction to Laboratory-Grown Diamonds', 'April Birthstone: Diamond', 'September Birthstone: Sapphire', 'November Birthstones: Topaz & Citrine' and 'The Big 3 – Ruby, Sapphire and Emerald'. These diversified gemmological topics helped attendees gain valuable information to buy and sell gemstones with confidence.

## Growth drivers of gems & jewellery sector in India



## **Investments/ Developments**

The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or Government of India. The Government has made hallmarking mandatory for gold jewellery and artefacts and a period of one year is provided for its implementation.

Cumulative FDI inflows in diamond and gold ornaments stood at US\$ 1,213.06 million between April 2000-June 2022, according to the Department for Promotion of Industry and Internal Trade (DPIIT).

### **Some of the key developments in this industry are listed below:**

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- Reliance's in-house jewellery brand, Reliance Jewels, which has ~93 flagship showrooms and 110 shop-in-shops in 105 cities in the country, will fulfil the orders for the new segment.

### **Government Initiatives and regulatory framework**

- India has signed an FTA with the UAE which will further boost exports and is expected to reach the target of US\$ 52 billion.
- The Government has reduced custom duty on cut and polished diamond and colored gemstones from 7.5% to 5% and NIL.
- Revised SEZ Act is also expected to boost exports of gems and jewellery.
- In September 2021, Union Minister, Ms. Anupriya Patel, said that reforms such as the revamped gold monetisation scheme, reduction in import duty of gold, hallmarking and others would help the industry grow. The market export target is US\$ 43.75 billion for 2021.
- The government has reduced import duty for Gold & Silver (from 12.5% to 7.5%) and Platinum & Palladium (from 12.5% to 10%) to bring down the prices of precious metals in the local market.
- The demonetisation move is encouraging people to use plastic money and debit/ credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

- The Government would notify a new limit for reporting about transactions in gold and other precious metals and stones to authorities to avoid the parking of black money in bullion.
- The government's announcement on establishing gold spot exchange could help in India's participation in determining gold price in the international market.
- Indian Government made hallmarking mandatory for Gold Jewellery and Artefacts. A period of one year is provided for implementation i.e., till January 2021.
- The Gold Monetisation Scheme was launched in November 2015. This scheme enabled individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.
- As of January 2019, the Reserve Bank of India (RBI) increased the scope of the gold monetization scheme by allowing charitable institutions and Government entities to deposit gold to boost deposits over the coming months.
- In December 2020, All India Gem and Jewellery Domestic Council (GJC) welcomed the decision to make hallmarking compulsory from June 2021 in a phased manner; urged the government to examine the key concerns of the industry for smooth implementation of the initiative.
- Hallmarking of gold jewellery is set to begin from June 15, 2021. In view of the COVID-19 pandemic, the government accepted request of stakeholders to provide jewellers some more time to prepare for implementation and resolve issues. Earlier, the date of implementation was June 01, 2021.
- In December 2020, the Finance Ministry notified that the amendment under Prevention of Money Laundering Act (PMLA), notifying dealers in precious metals and stones, will maintain records of cash transactions worth Rs. 10 lakh (US\$ 13.61 thousand) or more cumulatively with a single customer.
- In August 2020, the government called for constituting a special group, which will include both customs and banking officials, to resolve issues faced by the gem and jewellery sector.
- In December 2020, the Gem and Jewellery Export Promotion Council (GJEPC) urged the government to include in the comprehensive e-commerce policy the EDI (Electronic Data Interchange) connection of postal services with customs, to enable banks to automatically close e-commerce exports against advance credit card payments by foreign purchasers.
- The step would drive for progressive reforms to help the industry fulfill its long-term goal of being the epicenter of global gems & jewellery.
- In June 2021, the US suspended additional tariffs on six countries, including India, that have imposed or are considering equalization levy/ digital services tax one-commerce companies for upto six months. This was done to provide additional time to complete the ongoing multilateral negotiations on international taxation at the Organisation for Economic Co-operation and Development (OECD) and G20.
- The suspension is likely to provide relief to the COVID-hit gems & jewellery sector in India.

### **Road Ahead**

In the coming years, growth in gems and jewellery sector would largely be contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sales are expected to account for 1–2% of the fine jewellery segment by 2021–22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry.

The improvement in availability along with the reintroduction of low-cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry. India's gems and jewellery industry is expected to reach US\$ 70 billion by 2025.

Source: <https://www.ibef.org/industry/gems-jewellery-india.aspx>

## **BUSINESS OVERVIEW**

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Letter of offer, including the information contained in the section titled 'Risk Factors', beginning on page no. 22 of this Letter of offer.*

*This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' beginning on page no. 22, 83 and 136 respectively, of this Letter of offer.*

*Unless the context otherwise requires, in relation to business operations, in this section of this Letter of offer, all references to "we", "us", "our" and "our Company" are to Bhakti Gems and Jewellery Limited and Group Entities as the case may be.*

### **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 jewelleryes are designed by us and 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. Moreover, our ethical trade practices, transparent business dealings and timely delivery of products help us in maintaining cordial relations with our customers. Our Company strives at all times to provide products that offer our customers the designs with superior finish and quality.

Our Promoters Akshay S. Mehta and Varshaben A. Mehta have around 22 years and 15 years of experience respectively in gems and jewellery industry and with their innovative business ideas, in-depth knowledge and excellent management skills, we have served our customers proficiently. Some of our major customers includes Kalyan Jewellers India Ltd., Soni Dwarkdas Virchand, Ghanshyam Jewellers etc.

### **Our Competitive Strengths**

#### **Cordial relationship with our customers:**

We maintain cordial relationships with our customers by strategically aligning our offerings with their requirements. Our relationships with our customers are built on our successful execution of prior engagements. We believe our track record of timely delivery of quality products and established technical expertise has helped in strengthening relationships with our major customers and gaining increased business from them.

#### **Experience of our Promoters:**

We believe that our experienced Promoters have significantly contributed to the growth of our business operations. Our Promoters Akshay S. Mehta and Varshaben A. Mehta have been in the business of gems and jewellery for around 22 years and 15 years respectively and have built immense experience and cordial relationships with customers in the industry. We believe that our Promoters experience in the industry enables us to respond to changing market conditions and evolving preferences of our customers and is essential to our overall success and our future growth.

## **Quality of our products**

We endeavor to maintain the quality of our products, strive to create works of art that are true to nature, maintain the aesthetic value, follow strict procedures to ensure control quality, timely delivery and competitive prices. We offer both regular and customized designs and guarantee our esteemed customers for the time bound delivery of the products.

## **Customer Satisfaction**

We believe in making mutually beneficial relationship with our customers by providing them optimum quality jewellery pieces at highly affordable market prices. In a zest to attain maximum customer satisfaction, we assure accurate and timely delivery of these adornments, at the customer's end. We provide customized solution to our customers keeping in mind their precise requirement.

## **Our Business Strategies**

**Continue to focus on our existing customers and leverage our relationships and knowledge base in the domestic markets**

We believe that we have established ourselves in the domestic market and have developed a marketing network with major retail chains during the past few years. We intend to continue to cater to our existing customers comprising of retail chains and to capitalize on our credentials to add new customers in the domestic market.

## **Prolonged focus on our wholesale business**

We are suppliers to the jewellery chains in the domestic market. We wish to continue leveraging our position as wholesaler and supplier of gold and studded jewellery by expanding our customer base and to enter new geographical boundaries. We aim to expand our customer base in our active markets by targeting different department stores, discount chain stores, fine jewellers. In this regard, we propose to adopt the marketing and branding strategies for the specific needs of target market for these retailers.

## **Our Products**

Our product range includes chain, ring, earring, mangalsutra, anklet, necklace, bangle, bracelet, pendant etc.







## **Our Business Operations**

We outsource our jewellery manufacturing to job workers who manufacture jewellery based on the designs provided by us. All of this jewellery is sold by us to retail showrooms. We provide the requisite raw materials and we pay these job workers only making charges. We do not enter into written agreements in connection with these manufacturing arrangements. We have established strong relationships with these job workers located at Ahmedabad, Rajkot, Mumbai for the manufacture of jewellery. Our quality control department ensures that all our jewellery manufactured by job workers meets the stringent quality standards.

## **Collaborations/tie ups/ joint ventures**

Our Company does not have Collaboration/Tie Ups/ Joint Ventures as on the date of this Letter of offer.

## **Future Prospects**

The future plans of our Company are in line with the way the industry is thinking and planning ahead. Our Company is trying to increase the geographical areas of operations to cater to the growing market. Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of product quality and product range. Further, there are no entry barriers in this industry. Industry is very competitive and we expect competition to continue and likely to increase in the future.

## **Marketing Strategy**

Being a manufacturer, wholesaler and supplier in jewellery industry, our primary factors considered in marketing is creating our customer's confidence by providing them quality products as per their needs and requirement, offering reasonable pricing for our products, timely and reliable delivery of our products together with the level and quality of customer service. We maintain an ongoing relationship with our existing customers. We believe that our success lies in the strength of our relationship with our existing customers.

## **Competition**

Jewellery industry is highly competitive industry. Competition in this industry is based mainly on the quality, design, availability and pricing. We continuously take measure to reduce our procurement, production and distribution costs and improve our operational efficiencies. We face competition from both the organized and unorganized sector in the business of gold jewellery. However, we believe our true competition is with the unorganized sector.

## **Raw Material**

Our raw material comprises gold bullion, diamonds, precious and semi precious stones. The raw materials are procured from domestic market. Generally we procure raw materials based on the basis of management estimation based on order received, past consumption and future estimation. Our major suppliers for the raw materials are Jyotirmay Jewels Pvt. Ltd., Ganesh Jewellery Pvt. Ltd.

## **UTILITIES & INFRASTRUCTURE FACILITIES**

### **Infrastructure Facilities**

Our registered office is located at Ahmedabad, Gujarat and is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

### **Power**

Our Company has made adequate arrangements for its power requirements. We currently source power from Torrent Power Limited.

#### **Water**

Water is required only for drinking and sanitary purposes and adequate water sources are available. The requirements are fully met at the existing premises.

#### **Export and Export Obligations**

Our Company doesn't have any export obligation.

#### **Details of major Customers:**

<b>Sr. No.</b>	<b>Name of the Customers</b>
1	Soni Dwarkdas Virchand
2	Kalyan Jewellers India Ltd.
3	Ramdev Gold Palace
4	Ghanshyam Jewellers
5	Lucky Jewellers
6	Nilaykumar & Brothers Jewellers
7	Vijay Gold
8	Anjalee Jewellers India Pvt. Ltd.
9	Veera Gold
10	Swagat Jewellers

#### **Plant & Machinery**

Since we are a manufacturer, wholesaler and supplier of gold jewellery on job work basis, we do not own any major plant and machinery.

#### **Our Properties**

Details of our property are set forth in the table below:-

<b>Description of Property</b>	<b>Title(Leased/Owned /Rent)</b>	<b>Consideration (in Rs.)</b>
209, Shree Balaji Paragon, B/s Rock Regency Hotel,Opp. Axis Bank, near Circle - P, C. G. Road, Ahmedabad-380009	Lease	65,000 p.m.

#### **Human Resource**

We have experienced Promoters and management team whom we rely on to anticipate industry trends and capitalize on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs allow us to attract and retain these talented people. Our management team consists of experienced individuals with diverse skills. We believe that our employees are the key to the success of our business. We focus on hiring and retaining employees. We view this process as a necessary tool to maximize the performance of our employees.

As on the date of this Letter of offer, we have the total strength of 19 (on pay roll) in various departments. The details of which is given below:

<b>Details</b>	<b>Total</b>
Managing Director	1
Whole-time Director	1
Company Secretary	1
CFO	1
Others	15
<b>Total</b>	<b>19</b>

### **Insurance**

Our Company has taken the Jewellers Block insurance policy from ICICI Lombard to cover our Company's stock; office equipments and structures (including furniture, fixture and fittings); cash and currency situated at the premises at FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat- 380009, along with that in transit and in the custody of insured and specified persons; and Fidelity insurance for permanent employees.

### **Intellectual Property**

As on the date of this Letter of offer, our company does not hold any intellectual property.

## OUR MANAGEMENT

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Letter of offer, our Board comprises of 5 (Five) Directors, of which 1 (One) Director is Managing Director, 1 (One) Director as Whole-time Director, 1 (one) woman Director which is Non-Executive Director and 2 (Two) Directors are Non-executive Independent Directors. The composition of our Board is governed by the provisions of the Companies Act and the SEBI Listing Regulations and the norms of the code of corporate governance as applicable to listed companies in India.

### Our Board of Directors

The following table sets forth the details regarding our Board of Directors as on the date of this Letter of offer:

Name, Designation/Occupation, Address, DinNo., Date of Birth, Occupation, Nationality	Date Of Appointment/ Re-appointment & Term	Other Directorships
<p><b>Mr. Akshay Sevantilal Mehta</b> S/o. Mr. Sevantilal Amrutlal Mehta <b>Date of Birth:</b> May 25, 1972 <b>Age:</b> 50 Years <b>Designation:</b> Managing Director <b>Address:</b> 04/ Pushpak Hill Bungalows, Opp. Prahaladnagar Garden, 100 Feet, Satellite Road, Ahmedabad- 380015, Gujarat, India <b>DIN:</b> 02986761 <b>Term:</b> 5 years <b>Occupation:</b> Business <b>Nationality:</b> Indian</p>	<p>Appointed as Promoter Director w.e.f. 30/03/2010; and change in designation as Managing Director w.e.f. 30/12/2016.</p>	<ul style="list-style-type: none"> <li>• Samor Reality Ltd.</li> </ul>
<p><b>Mrs. Varshaben Akshaykumar Mehta</b> W/o. Mr. Akshay Sevantilal Mehta <b>Date of Birth:</b> April 27, 1971 <b>Age:</b> 51 years <b>Designation:</b> Non-Executive Director <b>Address:</b> 3 4, Pushpak Hill Bungalows, Opp. Prahaladnagar Garden, Vejalpur, Ahmedabad- 380015 Gujarat, India <b>DIN:</b> 02988112 <b>Term:</b> Retire by Rotation <b>Occupation:</b> Business <b>Nationality:</b> Indian</p>	<p>Appointed as Promoter Director w.e.f. 30/03/2010; and regularization as Non-Executive Director on w.e.f. 17/03/2017</p>	<p>NIL</p>
<p><b>Mr. Meet Prafulchandra Mehta</b> S/o. Mr. Prafulchandra Mehta Muktilal <b>Date of Birth:</b> September 18, 1990 <b>Age:</b> 32 years <b>Designation:</b> Whole Time Director <b>Address:</b> A-64 Ishaan-1 Behind Seema Hall Satellite, Manekbag, Ahmedabad- 380015, Gujarat, India <b>DIN:</b> 07542183 <b>Term:</b> 3 years <b>Occupation:</b> Business <b>Nationality:</b> Indian</p>	<p>Appointed as Whole-time Director w.e.f. 24/07/2019 and regularization w.e.f. 12/10/2022.</p>	<p>NIL</p>

<p><b>Mr. Vaibhavkumar Nareshkumar Shah</b>  S/o. Mr. N S Shah  <b>Date of Birth:</b> July, 15 1985  <b>Age:</b> 37years  <b>Designation:</b> Non-executive Independent Director  <b>Address:</b> A-203, Shreekunj Appartment, Near Kanchanbhoomi Flat, Opposite Seema Hall, Satellite, Ahmedabad-380015, Gujarat, India  <b>DIN:</b> 09406867  <b>Term:</b> 5 years  <b>Occupation:</b> Business  <b>Nationality:</b> Indian</p>	<p>Appointed as Non-executive Independent Director w.e.f. 22/11/2021.</p>	<p>NIL</p>
<p><b>Mr. Prafulkumar Jayantilal Sheth</b>  S/o. Mr. Jayantilal Sheth Mafatlal  <b>Date of Birth:</b> March 15, 1966  <b>Age:</b> 56 years  <b>Designation:</b> Non-executive Independent Director  <b>Address:</b> 1/389, Ambicanagar, Near Vijat Hanuman Temple Ramlila Medan, Palanpur 385001, Gujarat, India  <b>DIN:</b> 09726936  <b>Term:</b> 5 years  <b>Occupation:</b> Business  <b>Nationality:</b> Indian</p>	<p>Appointed as Non-executive Independent Director w.e.f. 05/09/2022.</p>	<p>NIL</p>

#### **Relationship between Directors**

Except for Mr. Akshay Sevantilal Mehta and Mrs. Varshaben Akshaykumar Mehta being spouse each other and Mr. Meet Prafulchandra Mehta being Nephew to Mr. Akshay Sevantilal Mehta and Mrs. Varshaben Akshaykumar Mehta; none of the other Key Managerial Personnel are related to each other or Directors and have any other family relationships as per section 2(77) of the Companies Act, 2013.

#### **Brief Profile of the Directors of our Company**

##### **Mr. Akshay Sevantilal Mehta - Managing Director**

**Mr. Akshay Sevantilal Mehta** aged 50 years is the Founder, Promoter and Managing Director of Bhakti Gems and Jewellery Limited. He has completed his matriculation. He has been on Board since the incorporation of our company and was appointed as Managing Director with effect from December 30, 2016. He brings wealth of jewellery industry experience to the company of around 22 years. He is currently focused on business development and operations of our company including strategic initiatives of our business. He spearheads the overall functioning of our Company.

##### **Mrs. Varshaben Akshaykumar Mehta – Non-Executive Director**

Mrs. Varshaben Akshaykumar Mehta aged 51 years is the founder and Promoter of Bhakti Gems and Jewellery Limited. She has completed her matriculation She has been on Board since the incorporation of our company. She brings wealth of jewellery industry experience to the company of around 15 years.

##### **Mr. Meet Prafulchandra Mehta- Whole Time Director**

Mr. Meet Prafulchandra Mehta aged 32 years has been on the Board of Bhakti Gems and Jewellery Limited since 2019. He has completed his Bachelors in Business Administration. He brings wealth of jewellery industry experience to the company of around 8 years.

##### **Mr. Vaibhav N Shah - Independent Director**

**Mr. Vaibhav N Shah**, aged 37 years, is the Non-Executive Independent Director of our Company. He is a Commerce

Graduate. He has over 20 years of experience in the field of Jewellery business. He brings value addition to our Company.

**Mr. Prafulkumar Jayantilal Sheth - Non Executive Independent Director**

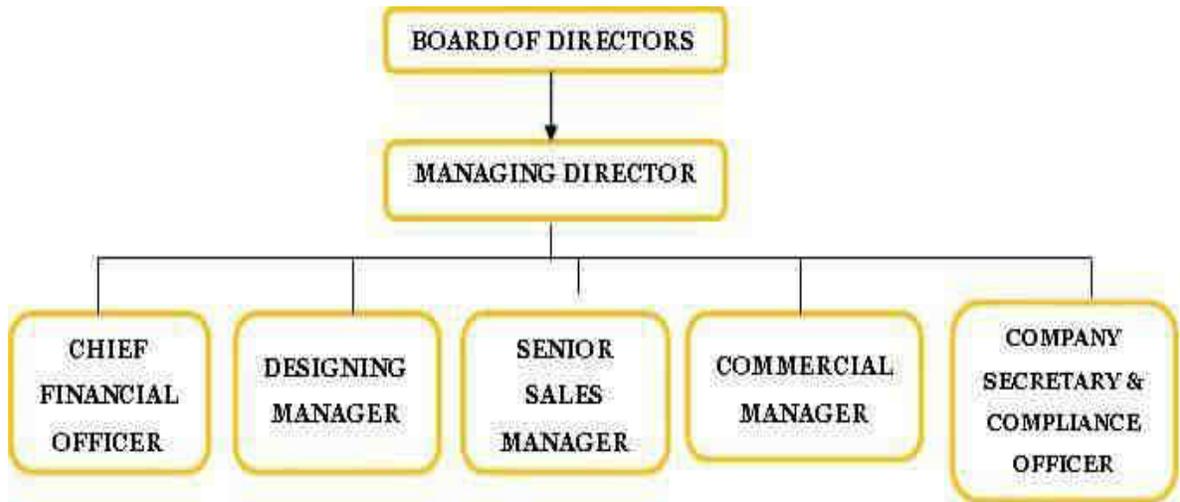
Mr. Prafulkumar Jayantilal Sheth aged 56 years is the Non Executive Independent Director of Our company. He is Undergraduate. He has over 20 years of experience in field of Real Estate business. He bring value addition to our company.

**Confirmations**

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Letter of offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company:
- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

For details on legal cases, please refer to the chapter titles “Outstanding Litigations And Material Developments” beginning on page 148 of this Letter of offer.

## ORGANISATION STRUCTURE



### Corporate Governance

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting.

We have a Board constituted the Board Committees in compliance with the Companies Act. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically. Our Board has five Directors, comprising of one Managing Director, one Whole-time Director, one Non-Executive Director and two Non-Executive Independent Directors.

Our Company has constituted the following Committees in compliance with the corporate governance norms:

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee; and
- 3) Stakeholders Relationship Committee.

#### **Audit Committee**

The Audit Committee was constituted pursuant to section 177 of the Companies Act, 2013 with the following members forming a part of the said Committee:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Vaibhavkumar Shah	Chairman	Non-Executive-Independent Director
Mr. Akshay Sevantilal Mehta	Member	Executive Director
Mr. Prafulkumar Jayantilal Sheth	Member	Non-Executive-Independent Director

The Company Secretary and Compliance Officer of the Company acts as the secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

- 1) Oversight 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.
- 2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of

the statutory auditor and the fixation of audit fees.

- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
- 5) Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document//notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 14) Discussion with internal auditors any significant findings and follow up there on.
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18) To review the functioning of the Whistle Blower mechanism.
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

***The Audit Committee enjoys following powers:***

- a) To investigate any activity within its terms of reference
- b) To seek information from any employee
- c) To obtain outside legal or other professional advice
- d) To secure attendance of outsiders with relevant expertise if it considers necessary
- e) The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

***The Audit Committee shall mandatorily review the following information:***

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

***Quorum and Meetings***

The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there shall be a minimum of two independent members present. Since the formation of the committee, no Audit Committee meetings have taken place.

**Stakeholder`s Relationship Committee**

The Shareholders and Investors Grievance Committee have been formed by the Board of Directors pursuant to section 178 (5) of the Companies Act, 2013 with the following members forming a part of the said Committee:

<b>Name of the Director</b>	<b>Designation in the Committee</b>	<b>Nature of Directorship</b>
Mr. Prafulkumar Jayantilal Sheth	Chairman	Non-Executive-Independent Director
Mr. Akshay Sevantilal Mehta	Member	Executive Director
Mr. Vaibhavkumar Shah	Member	Non-Executive-Independent Director

The Company Secretary and Compliance Officer of the Company acts as the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of section 178 (5) of the Companies Act, 2013 and its terms of reference include the following:

1. Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares;
2. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
3. Allotment of shares, monitoring and approving transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
4. Reference to statutory and regulatory authorities regarding investor grievances;
5. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
6. And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers; and
7. Carrying out any other function contained in the SEBI (LODR) Regulations as and when amended from time to time.

**Quorum and Meetings**

The quorum necessary for a meeting of the Stakeholders Relationship Committee shall be two members or one third of the members, whichever is greater. Since the formation of the committee, 2 Stakeholders Relationship Committee meetings have taken place.

## Nomination and Remuneration Committee

The constitution of the Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors pursuant to section 178 of the Companies Act, 2013 with the following members forming a part of the said Committee:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Prafulkumar Jayantilal Sheth	Chairman	Non-Executive-Independent Director
Mrs. Varshaben Akshaykumar Mehta	Member	Non-Executive, Non-Independent Director
Mr. Vaibhavkumar Shah	Member	Non-Executive-Independent Director

The Company Secretary and Compliance Officer of the Company acts as the secretary of the Nomination and Remuneration Committee.

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- 5) To recommend to the Board, the remuneration packages i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc. of the executive directors;
- 6) To implement, supervise and administer any share or stock option scheme of our Company; and
- 7) To attend to any other responsibility as may be entrusted by the Board within the terms of reference.

### *Quorum and Meetings*

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater.

### **Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, after listing of our Company's shares on the Stock Exchanges. Our Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

### **Our Key Management Personnel and Senior Management Personnel**

Name	Designation	Date of Appointment/ Re-Appointment (as the case may be)
Mr. Akshay Sevantilal Mehta	Managing Director	30/03/2010
Mrs. Varshaben Akshaykumar Mehta	Non- Executive Non-Independent Director	30/03/2010
Mr. Meet Prafulchandra Mehta	Whole Time Director	24/07/2019
Mr. Vaibhav kumar Nareshkumar Shah	Non-Executive Independent Director	22/11/2021
Mr. Prafulkumar Jayantilal Sheth	Non-Executive Independent Director	05/09/2022
Mr. Sanket Rajeshkumar Shah	CFO	24/07/2019
Ms. Nikita Jain	CS & Compliance Officer	07/01/2023

### **Relationship between Key Managerial Personnel's**

Except for Mr. Akshay Sevantilal Mehta and Mrs. Varshaben Akshaykumar Mehta being spouse each other and Mr. Meet Prafulchandra Mehta being Nephew to Mr. Akshay Sevantilal Mehta and Mrs. Varshaben Akshaykumar Mehta; none of the other Key Managerial Personnel are related to each other or Directors and have any other family relationships as per section 2(77) of the Companies Act, 2013. All our Key Managerial Personnel are permanent employees of our Company. None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

### **Status of Key Managerial Personnel**

All our key managerial personnel are permanent employees of our Company.

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel**

As on the date of this Letter of offer our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

### **Employees Stock Option Scheme**

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Letter of offer.

### **Payment or Benefit to officers of our Company**

Except as stated in the Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section "Financial Statements" on page 87 of the Letter of Offer, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

### **Arrangements and Understanding with Major Shareholders**

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## OUR PROMOTER

The Promoters of our Company are Mr. Akshay Sevantilal Mehta and Mrs. Varshaben Akshay Mehta.

As on date of this Letter of offer, Our Promoters together hold 39,29,531 Equity Shares having face value of Rs. 10 per share and representing 39.19% of the pre-issue Paid up Capital of our Company.

Our Company confirms that the permanent account number, bank account number and passport number in case of our Individual Promoters shall be submitted to the Stock Exchanges at the time of filing this Letter of offer.

### **Our Individual Promoters:**

#### **Mr. Akshay Sevantilal Mehta**

For details of the educational qualifications, experience, other directorships, positions / posts held by our Individual Promoter, please see the chapter titled “Our Management” on page 73 of this Letter of offer. He holds 31,06,378 Equity Shares constituting 30.98% of our issued, subscribed and paid-up equity share capital.

#### **Mrs. Varshaben Akshay Mehta**

For details of the educational qualifications, experience, other directorships, positions / posts held by our Individual Promoter, please see the chapter titled “Our Management” on page 73 of this Letter of offer. She holds 8,23,153 Equity Shares constituting 8.21 % of our issued, subscribed and paid-up equity share capital.

### **Confirmations**

- 1) None of our Promoters or members of our Promoter Group have been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
- 2) Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 3) None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
- 4) Except as disclosed in the ‘Outstanding Litigation and Material Developments’ on page 148 of this Letter of offer, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Our Company has not declared any dividends in last 3 fiscal years. There are no dividends declared by our Company since incorporation.

**SECTION V: FINANCIAL INFORMATION**

**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Page Number</b>
1	Audited Financial Results for March 31, 2022	84
2	Limited Review Report for December 31, 2022	111
3	Restated Summary Statements as at and for the years ended March 31, 2022, 2021 and 2020 and December 31 <sup>st</sup> , 2022	112

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Bhakti Gems and Jewellery Limited

Statutory Audit Report  
F.Y. 2021-22

--: Auditors :--  
Bhagat & Co.  
(Chartered Accountants)  
24, Laxmi Chambers,  
Navjeevan Press Road,  
Nr. Old High Court,  
Income Tax, Ahmedabad-380014



**BHAGAT AND CO.**  
**CHARTERED ACCOUNTANTS**

## **Independent Auditor's Report**

**To the Members of Bhakti Gems and Jewellery Limited**

**Report on the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Standalone financial statements of **Bhakti Gems and Jewellery Limited** ('the Company'), which comprise the Balance Sheet as at **31<sup>st</sup> March 2022**, the Statement of Profit and Loss (including other comprehensive income) and Cash Flow statement for the year then ended, and notes to financial Statement including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of state of affairs of the company as at **31<sup>st</sup> March 2022** and its profit (including other comprehensive income) and its cash flow for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

We have determined that there are no key audit matters to be communicated in our report.



24, Laxmi Chambers, Navjeevan Press Road, Near Old High Court, Income Tax, Ahmedabad-380014

Email Id :- bhagatco2015@gmail.com

Mobile :- 9998040610

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

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

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

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

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



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.

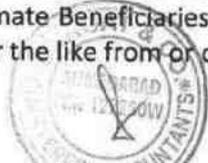
2.

(A) 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, Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

(B) 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:

- a. The Company does not have any pending litigation which would impact its financial position.
- b. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the company.
- d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries  
(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.



(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matters to be included in the Auditor's Report under section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**FOR, BHAGAT & CO.**  
**Chartered Accountant**  
**Firm Reg. No.127250W**



**Sandeep H. Mulchandani**  
**( Partner )**



**Membership.No. 144241**  
**UDIN : 22144241ALEQLY1014**

**Place:- Ahmedabad**  
**Date:22/04/2022**

**"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<sup>st</sup> March 2022**, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments  
  
(b) The Company has a regular program of physical verification of its Property, Plant and Equipments. 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 (except taken on lease) are held in the name of the Company.  
  
(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.  
  
(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.  
  
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of 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 deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.



- 7
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for any business activities carried out by the Company.
- vii. (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 goods and service tax, provident fund, income-tax, duty of customs, 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, there were no undisputed amounts payable in respect of Income-tax, goods and service tax and other material statutory dues in arrears were outstanding as at 31<sup>ST</sup> March,2022 for a period of more than six months from the date they became payable.
- viii. Whether any transaction not recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessment under the IT Act, 1961. There is no such kind of disclosure as explained by Management.
- ix. Company has taken loans from ICICI Bank for business purpose. The company has not made any default in repayment of loan.
- x. (a) The company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (b) 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.
- xi. (a) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The company has not been received whistle-blower complaints during the year. Hence this sub clause is not applicable.
- 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 the sections 177 and 188 of the Act. Where applicable, the 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 given to us, The Company has Internal Audit System commensurate with size and its business. The report of internal auditor have been considered for finalization of account.
- 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. Accordingly, all sub clauses of paragraph 3(xvi) of the Order is not applicable.
- xvii. The Company has not incurred cash losses in the financial year and the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and the auditor has taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- xix. The Company is in position to meet all liabilities at the balance sheet date.
- xx. This clause is not applicable.
- xxi. This clause is not applicable

**FOR, BHAGAT & CO.**  
**Chartered Accountant**  
**Firm Reg. No.127250W**

*Sandeep*  
**Sandeep H. Mulchandani**  
**( Partner)**  
**Membership.No. 144241**  
**UDIN : 22144241ALEQLY1014**



**Place:- Ahmedabad**  
**Date:22/04/2022**

## 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<sup>st</sup> March 2022** 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<sup>st</sup> March 2022**, 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, Bhagat & Co.  
Chartered Accountant  
Firm Reg. No.127250W

*Sandeep*



Sandeep H. Mulchandani  
( Partner )  
Membership.No. 144241  
UDIN : 22144241ALEQLY1014

Place : Ahmedabad  
Date : 22/04/2022

# Bhakti Gems and Jewellery Limited

Statement of Assets & Liabilities as at 31<sup>st</sup> March, 2022

Particulars	Note No.	2022	2021
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(i) Property, Plant And Equipment	1	31,85,257	24,55,512
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	-
(iv) Intangible assets under development		-	-
<b>Non-Current Financial Assets</b>			
(a) Non-Current Investments		-	-
(b) Trade Receivables, Non-Current		-	-
(c) Loans, Non-Current		-	-
(d) Other Non-Current Financial Assets		-	-
Deffered tax assets (net)		-	-
<b>Total Non Current Assets</b>		<b>31,85,257</b>	<b>24,55,512</b>
<b>(2) Current Assets</b>			
Inventories		15,17,17,586	16,92,22,876
<b>Current Financial Assets</b>			
(a) Current investments		-	-
(b) Trade receivables	2	13,59,27,239	4,39,29,579
(c) Cash and cash equivalents	3	4,92,127	5,84,208
(d) Bank Balance other than Cash and cash equivalents		-	-
(e) Loans, Current		-	-
(f) Other Current Financial Assets		-	-
<b>Total Current Financial Assets</b>		<b>13,64,19,366</b>	<b>4,45,13,787</b>
Current Tax Assets (net)		-	-
Other Current Assets	4	83,59,214	1,00,41,831
<b>Total Current Assets</b>		<b>29,64,96,167</b>	<b>22,37,78,494</b>
<b>Total Assets</b>		<b>29,96,81,425</b>	<b>22,62,34,007</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
Equity Share Capital	5	10,02,63,450	10,02,63,450
Other Equity	6	5,89,86,013	5,03,40,474
<b>Total Equity</b>		<b>15,92,49,463</b>	<b>15,06,03,924</b>
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Non-Current Financial Liabilities</b>			
(a) Borrowings, non current		-	-
(b) Trade Payables, non current		-	-
(c) Other non current financial liabilities		-	-
<b>Total Non-Current Financial Liabilities</b>		<b>-</b>	<b>-</b>
Provision, non current		-	-
Deffered tax liabilities (net)		1,40,623	77,743
Other non current liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>1,40,623</b>	<b>77,743</b>
<b>Current Liabilities</b>			
<b>Current Financial Liabilities</b>			
(a) Borrowings, current	7	13,44,94,402	7,37,03,745
(b) Trade Payables, current	8	-	-
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding dues of creditors other than Micro and Small Enterprises		49,79,723	4,81,175
(c) Other current financial liabilities		-	-
<b>Total Current Financial Liabilities</b>		<b>13,94,74,125</b>	<b>7,41,84,920</b>
Other Current liabilities	9	3,37,714	2,11,420
Provision, current	10	4,79,500	11,56,000
Current tax liabilities (net)		-	-
<b>Total Current Liabilities</b>		<b>14,02,91,338</b>	<b>7,55,52,340</b>
<b>Total Liabilities</b>		<b>14,04,31,961</b>	<b>7,56,30,083</b>
<b>Total Equity and Liabilities</b>		<b>29,96,81,425</b>	<b>22,62,34,007</b>

**NOTES TO ACCOUNTS**

Notes attached there to form an integral part of Statement of Assets & Liabilities

As per Report of Even Date

FOR, BHAGAT & CO.

Chartered Accountants

FRN No. 127250W

Sandeep H. Mulchandani

(Partner)

Mem. No. 144241

UDIN : 22144241ALEQLY1014



For, Bhakti Gems and Jewellery Limited

For, Bhakti Gems and Jewellery Limited

For, Bhakti Gems and Jewellery Limited

*(Signature)*  
21/02/2022, 21/17  
Authorised Signatory / Director  
Akshay S. Mehta  
(Managing Director)  
DIN : 02986761

*(Signature)*  
Authorised Signatory / Director  
Meet Prafulchandra Mehta  
(Whole Time Director)  
DIN : 07542183

For, Bhakti Gems and Jewellery Limited

Sanket R. Shah

*(Signature)*  
Authorised Signatory / Director

Date: 22/04/2022

Place: Ahmedabad

## Bhakti Gems and Jewellery Limited

Statement of Profit & Loss for the Period Ended on 31<sup>st</sup> March, 2022

Sr. No.	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
			₹	₹
<b>Income</b>				
I	Revenue from operations	11	87,75,89,097	67,90,41,343
II	Other Income	12	1,21,42,275	4,35,434
III	<b>Total Income (I + II)</b>		<b>88,97,31,372</b>	<b>67,94,76,777</b>
<b>Expenses</b>				
IV	Cost of materials consumed	13	84,66,07,543	76,54,89,241
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	14	1,75,05,290	(9,88,42,617)
	Employee Benefit Expense	15	50,18,755	33,91,315
	Financial Costs	16	50,62,241	9,08,488
	Depreciation and Amortization Expense	17	2,13,601	1,40,963
	Other Expenses	18	37,83,374	49,73,419
	<b>Total Expenses (IV)</b>		<b>87,81,90,804</b>	<b>67,60,60,809</b>
V	Profit before exceptional items and tax	(III - IV)	<b>1,15,40,568</b>	<b>34,15,968</b>
VI	Exceptional Items		-	-
VII	Profit before tax (V - VI)		<b>1,15,40,568</b>	<b>34,15,968</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		27,00,000	7,00,000
	(2) Earlier tax			89,154
	(3) Deferred tax		62,880	
IX	Profit/(Loss) from the period from continuing operations	(VII-VIII)	<b>87,77,688</b>	<b>26,26,814</b>
X	Profit/(Loss) from discontinuing operations before tax		-	-
XI	Tax expense of discounting operations		-	-
XII	Profit/(Loss) from Discontinuing operations (X-XI)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		<b>87,77,688</b>	<b>26,26,814</b>
XIV	Other Comprehensive Income net of tax		-	-
XV	<b>Total Comprehensive Income for the year</b>		<b>87,77,688</b>	<b>26,26,814</b>
XVI	<b>Details of equity share capital</b>			
	Paid up equity share capital		10,02,63,450	10,02,63,450
	Face value of equity share capital		10/-	10/-
XVII	<b>Earning per share:</b>			
	<b>Earning per equity share for continuing operations</b>			
	(1) Basic earnings (loss) per share from continuing operations		0.88	0.27
	(2) Diluted earnings (loss) per share from continuing operations		0.88	0.27
	<b>Earning per equity share for discontinued operations</b>			
	(1) Basic earnings (loss) per share from discontinued operations		-	-
	(2) Diluted earnings (loss) per share from discontinued operations		-	-
	<b>Earning per equity share:</b>			
	(1) Basic earnings (loss) per share from continuing and discontinued operations		0.88	0.27
	(2) Diluted earnings (loss) per share from continuing and discontinued operations		0.88	0.27

**NOTES TO ACCOUNTS**

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

As per Report Of Even Date

FOR, BHAGAT & CO.

Chartered Accountants

FRN No. 127250W

Sandeep H. Mulchandani

(Partner)

Mem. No. 144241

UDIN : 22144241ALEQLY1014

Date: 22/04/2022

Place: Ahmedabad



For, Bhakti Gems and Jewellery Limited

For, Bhakti Gems and Jewellery Limited

For, Bhakti Gems and Jewellery Limited

20/04/2022  
Authorised Signatory / Director

Akshay S. Mehta  
(Managing Director)  
DIN : 02986761

Authorised Signatory / Director  
(Whole Time Director)  
DIN : 07542183

For, Bhakti Gems and Jewellery Limited

Authorised Signatory / Director

## Bhakti Gems and Jewellery Limited

Cash Flow Statement For The Year Ended 31<sup>st</sup> March, 2022

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>A. Cash Flow from Operating Activity</b>		
Profit before Taxation	1,15,40,568	34,15,968
Add : Non Cash & Non Operating Expenses		
Depreciation Expense	2,13,601	1,40,963
Finance Cost	50,62,241	9,08,488
Other Income	-	(4,35,434)
Interest Income	-	-
Operating Profit before Working Capital Changes	1,68,16,410	40,29,985
Adjustment for;		
(Increase) / Decrease in Inventory	1,75,05,290	(9,88,42,617)
(Increase) / Decrease in Debtors	(9,19,97,660)	1,26,51,040
(Increase) / Decrease in Loans & Advances	-	1,06,33,230
(Increase) / Decrease in Current Assets	16,82,617	(7,55,482)
(Increase) / Decrease in Short Term Borrowings	6,07,90,657	7,37,03,745
Increase / (Decrease) in Current Liabilities & Provisions	1,26,294	16,425
Increase / (Decrease) in Trade Payables	44,98,548	(11,92,353)
Increase / (Decrease) in Provisions	(6,76,500)	46,810
Cash Generated from Operation	87,45,655	2,90,783
Taxes Paid	27,00,000	7,89,154
<b>Net Cash Flow from Operating Activities</b>	<b>60,45,655</b>	<b>(4,98,371)</b>
<b>B. Cash Flow from Investing Activity</b>		
(Increase) / Decrease in Fixed Assets (net)	(9,43,346)	(9,09,728)
(Increase) / Decrease in Investments & Accrued Interest Thereon	-	-
Finance Cost	(50,62,241)	(9,08,488)
Interest Income	-	4,35,434
Other Income	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(60,05,587)</b>	<b>13,82,782</b>
<b>C. Cash Flow from Financing Activity</b>		
Proceeds from Issue of Shares	-	-
Adjustments in Reserves and Surplus	(1,32,149)	(1,50,000)
<b>Net Cash Flow from Financing Activities</b>	<b>(1,32,149)</b>	<b>(1,50,000)</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>(92,081)</b>	<b>(20,31,155)</b>
Opening Balance of Cash & Cash Equivalents	5,84,208	26,15,363
Closing Balance of Cash & Cash Equivalents	4,92,127	5,84,208
Net Increase / (Decrease) in Cash & Cash Equivalents	<b>(92,081)</b>	<b>(20,31,155)</b>

FOR, BHAGAT & CO.  
Chartered Accountants  
FRN No. 144251W

Sandeep H. Mulchandani  
(Partner)  
Mem. No. 144241  
UDIN : 22144241ALEQLY1014

Place: Ahmedabad  
Date : 22/04/2022



For, Bhakti Gems and Jewellery Limited

For, Bhakti Gems and Jewellery Limited  
*(Signature)*  
Authorised Signatory / Director

Akshay S. Mehta  
(Managing Director)  
DIN : 02986761

For, Bhakti Gems and Jewellery Limited  
*(Signature)*  
Authorised Signatory / Director

Meet Prafulchandra Mehta  
(Whole Time Director)  
DIN : 07542183

For, Bhakti Gems and Jewellery Limited

*(Signature)*  
Authorised Signatory / Director

## Bhakti Gems and Jewellery Limited

Notes Forming Integral Part of the Assets & Liabilities as at 31<sup>st</sup> March, 2022

### Note : 1 Property , Plant & Equipments

Sr. No	Particulars	Gross Block			Depreciaton			Net Block		Amount in ₹	
		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 of the end		WDV as on 31.03.2022
(i)	Property, Plant and Equipment										
1	Software	3,65,121	1,75,000	-	5,40,121	85,014	58,191	-	1,43,205	3,96,916	2,80,107
2	Computer	2,59,628	-	-	2,59,628	1,29,915	20,534	-	1,50,449	1,09,179	1,29,713
3	Air Conditioner	4,28,316	1,99,219	-	6,27,535	1,12,222	24,477	-	1,36,699	4,90,836	3,16,094
4	Furniture	1,14,500	36,153	-	1,50,653	26,152	5,594	-	31,746	1,18,907	88,348
5	Bar code system	1,45,026	-	-	1,45,026	39,568	5,010	-	44,578	1,00,448	1,05,458
6	Office equipment	82,711	4,17,803	-	5,00,514	20,356	22,165	-	42,521	4,57,993	62,355
7	Mobile	85,399	-	-	85,399	11,725	3,500	-	15,225	70,174	73,674
8	Camera	45,800	-	-	45,800	10,664	1,668	-	12,332	33,468	35,136
9	CCTV Camera	81,857	-	-	81,857	17,680	3,048	-	20,728	61,129	64,177
10	Weighing Scale	45,750	-	-	45,750	7,782	1,803	-	9,585	36,165	37,968
11	Printer	13,400	-	-	13,400	7,866	876	-	8,742	4,658	5,534
12	Vehicle	8,33,777	-	-	8,33,777	96,357	35,028	-	1,31,385	7,02,392	7,37,420
13	Canon Lid Scanner	20,900	-	-	20,900	2,540	2,906	-	5,446	15,454	18,360
14	Wagner Car	5,37,622	-	-	5,37,622	47,796	23,266	-	71,062	4,66,560	4,89,826
15	Ro Machine	12,500	-	-	12,500	1,160	539	-	1,699	10,801	11,340
16	Apple iPad	-	47,671	-	47,671	-	-	-	2,264	45,407	-
17	Bundle Counting Machine	-	30,500	-	30,500	-	-	-	1,449	29,051	-
18	Safe	-	17,000	-	17,000	-	-	-	808	16,192	-
19	Xerox Machine	-	20,000	-	20,000	-	-	-	475	19,525	-
	<b>TOTAL</b>	<b>30,72,307</b>	<b>9,43,346</b>	<b>-</b>	<b>40,15,653</b>	<b>6,16,797</b>	<b>2,13,601</b>	<b>-</b>	<b>8,30,398</b>	<b>31,85,257</b>	<b>24,55,512</b>



## Bhakti Gems and Jewellery Limited

*Notes Forming Integral Part of the Assets & Liabilities as at 31st March, 2022*

**Note: 2 Trade Receivables ageing schedule**

Sr. No	Particulars	₹	₹
		2022	2021
<b>(A) Outstanding for following periods from the Due Date less than 6 Months</b>			
(i)	Undisputed Trade receivables- considered Good	12,65,11,361	4,39,29,579
(ii)	Undisputed Trade Receivables-Considered Doubtful	-	-
(iii)	Disputed Trade Receivables considered Good	-	-
(iv)	Disputed Trade Receivables considered Doubtful	-	-
	<b>Sub Total in ₹ (A)</b>	<b>12,65,11,361</b>	<b>4,39,29,579</b>
<b>(B) 6 Months to 1 Year</b>			
(i)	Undisputed Trade receivables- considered Good	31,49,858	-
(ii)	Undisputed Trade Receivables-Considered Doubtful	-	-
(iii)	Disputed Trade Receivables considered Good	-	-
(iv)	Disputed Trade Receivables considered Doubtful	-	-
	<b>Sub Total in ₹ (B)</b>	<b>31,49,858</b>	<b>-</b>
<b>(C) 1 Year to 2 Years</b>			
(i)	Undisputed Trade receivables- considered Good	10,04,380	-
(ii)	Undisputed Trade Receivables-Considered Doubtful	-	-
(iii)	Disputed Trade Receivables considered Good	52,61,640	-
(iv)	Disputed Trade Receivables considered Doubtful	-	-
	<b>Sub Total in ₹ (C)</b>	<b>62,66,020</b>	<b>-</b>
	<b>Total in ₹ { A+B+C}</b>	<b>13,59,27,239</b>	<b>4,39,29,579</b>

**Note : 3 Cash & Cash Equivalent**

Sr. No.	Particulars	₹	₹
		2022	2021
<b>(A) Cash-in-Hand</b>			
1	Cash Balance	4,92,127	1,48,234
	<b>Sub Total (A)</b>	<b>4,92,127</b>	<b>1,48,234</b>
<b>(B) Bank Balance</b>			
2	ICICI Bank	0	4,35,974
	<b>Sub Total (B)</b>	<b>-</b>	<b>4,35,974</b>
	<b>Total in ₹ { A+B}</b>	<b>4,92,127</b>	<b>5,84,208</b>

**Note : 4 Other Current Assets**

Sr. No.	Particulars	₹	₹
		2022	2021
<b>(A) Other Current Assets</b>			
1	Misc. Expense (To the extent not written off)	34,82,288	4352860
2	TDS and TCS Receivable	2,88,470	5,86,010
3	Prepaid Expenses	11,203	16,282
4	Advance Tax	-	3,50,000
5	Income Tax A Y 2015-16	14,01,000	14,01,000
6	GST Receivable	3176253	33,35,679
	<b>Total in ₹</b>	<b>83,59,214</b>	<b>1,00,41,831</b>



## Bhakti Gems and Jewellery Limited

Notes Forming Integral Part of the Assets & Liabilities as at 31<sup>st</sup> March, 2022

### Statement of Change in Equity

(A) Equity Share Capital			
Particulars	2022	2021	
<b>Balance as at beginning of year</b>	10,02,63,450	10,02,63,450	
Changes in equity share capital due to prior period errors	-	-	
Restated balance at the beginning of the reporting period	10,02,63,450	10,02,63,450	
Changes in equity share capital during the year	-	-	
<b>Balance as at end of year</b>	10,02,63,450	10,02,63,450	

### (B) Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium Reserve	Retain Earnings	
<b>As at April 01, 2020</b>	41469191	6394469	47863660
Profit for the year	-	2626814	2626814
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income for the year</b>	-	26,26,814	2626814
Increase / Decrease in Securities Premium Reserve	-	-	-
Other Adjustments	-	1,50,000	150000
<b>As at March 31, 2021</b>	41469191	8871283	50340474
Profit for the year	-	8777688	8777688
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income for the year</b>	-	8777688	8777688
Increase / Decrease in Securities Premium Reserve	-	-	-
Other Adjustments	-	-	-
<b>As at March 31, 2022</b>	41469191	17648971	59118162

### Note : 5 Equity Share Capital

Sr. No.	Particulars	2022	2021
<b>(A) AUTHORIZED CAPITAL</b>			
1	10040000 Equity Shares of Rs. 10/- each	10,04,00,000	10,04,00,000
		10,04,00,000	10,04,00,000
<b>(B) ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>			
<i>To the Subscribers of the Memorandum</i>			
1	10026345 Equity Shares of Rs. 10/- each	10,02,63,450	10,02,63,450
	<b>Total in ₹</b>	<b>10,02,63,450</b>	<b>10,02,63,450</b>

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

Sr. No.	SHARE HOLDER'S NAME	2022	2021
1	Akshay Sevantilal Mehta	31,06,378	44,93,957
		30.98%	44.82%
2	Varshaben Akshay Mehta	8,23,153	8,23,153
		8.21%	8.21%



## Bhakti Gems and Jewellery Limited

Notes Forming Integral Part of the Assets & Liabilities as at 31<sup>st</sup> March, 2022

### Note : 6 Other Equity

Sr. No.	Particulars	₹ 2022	₹ 2021
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	4,14,69,191	4,14,69,191
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (Special Reserve)	-	-
8	Surplus (Profit & Loss Account)	1,75,16,822	88,71,283
	Balance brought forward from previous year	88,71,283	63,94,469
	Less: Tax on Regular Assessment Paid / Short Provision Adj	-	-
	Add: Excess Provision Reversed	-	-
	Less: Adjustment of Earlier Period	1,32,149	1,50,000
	Add: Profit / (Loss) for the period	87,77,688	26,26,814
	<b>Total in ₹</b>	<b>5,89,86,013</b>	<b>5,03,40,474</b>

### Note : 7 Borrowings , Current

Sr. No.	Particulars	₹ 2022	₹ 2021
<b>(A) From Bank</b>			
1	ICICI Bank CC	5,36,14,228	4,67,03,435
2	ICICI Bank ECLG	1,40,00,000	-
<b>(B) From Others</b>			
1	Akshay Mehta	5,35,85,546	2,64,00,310
2	Meet Mehta	76,86,021	6,00,000
3	Varshaben Mehta	56,08,607	-
	<b>Total in ₹</b>	<b>13,44,94,402</b>	<b>7,37,03,745</b>

### Note : 8 Trade Payable ageing schedule

Sr. No.	Particulars	₹ 2022	₹ 2021
	<b>Outstanding Within 1 Year</b>		
(i)	MSME(Undisputed)	44,92,045	-
(ii)	Others(Undisputed)	4,87,678	4,81,175
(iii)	Disputed Due - MSME	-	-
(iv)	Disputed Due - Others	-	-
	<b>Total in ₹</b>	<b>49,79,723</b>	<b>4,81,175</b>

### Note : 9 Other Current Liabilities

Sr. No.	Particulars	₹ 2022	₹ 2021
<b>(A) Other Current Liabilities</b>			
1	TDS Payable	2,89,639	1,37,727
2	TCS Payable	48,075	73,693
	<b>Total in ₹</b>	<b>3,37,714</b>	<b>2,11,420</b>

### Note : 10 Provisions, Current

Sr. No.	Particulars	₹ 2022	₹ 2021
<b>(A) Other Provisions</b>			
1	Provision for Income Tax	1,25,000	7,00,000
2	Audit Fees Payable	80,000	40,000
3	Unpaid Rent	-	40,000
4	Unpaid Remuneration / Salary	2,74,500	3,76,000
	<b>Total in ₹</b>	<b>4,79,500</b>	<b>11,56,000</b>



## Bhakti Gems and Jewellery Limited

Notes Forming Part of Statement of Profit & Loss Accounts for the year ended 31<sup>st</sup> March, 2022

### Note : 11 Revenue from Operations

Sr. No.	Particulars	₹	₹
		2022	2021
1	Sales	87,75,89,097	67,90,41,343
	Total in ₹	87,75,89,097	67,90,41,343

### Note : 12 Other Income

Sr. No.	Particulars	₹	₹
		2022	2021
1	Interest on FD	-	28,767
2	Other Interest Income	-	4,06,667
3	Stone Charge Income	1,18,27,920	-
4	Other Income	3,14,355	-
	Total in ₹	1,21,42,275	4,35,434

### Note : 13 Cost of Material Consumed

Sr. No.	Particulars	₹	₹
		2022	2021
a) PURCHASES OF RAW MATERIALS AND STORES			
1	Purchase	84,63,43,853	76,54,08,916
2	Direct Expenses	2,63,690	80,325
	Total in ₹	84,66,07,543	76,54,89,241

### Note : 14 Change in Inventories

Sr. No.	Particulars	₹	₹
		2022	2021
1	Opening Stock	16,92,22,876	7,03,80,259
2	Closing Stock	15,17,17,586	16,92,22,876
	Total in ₹	1,75,05,290	9,88,42,617

### Note : 15 Employment Benefit Expenses

Sr. No.	Particulars	₹	₹
		2022	2021
1	Salary Expenses	38,48,755	20,71,315
2	Directors Remuneration	11,70,000	13,20,000
	Total in ₹	50,18,755	33,91,315

### Note : 16 Financial Cost

Sr. No.	Particulars	₹	₹
		2022	2021
1	Bank Charges & Interest Expenses	50,62,241	9,08,488
	Total in ₹	50,62,241	9,08,488

### Note : 17 Depreciation & Amortised Cost

Sr. No.	Particulars	₹	₹
		2022	2021
1	Depreciation	2,13,601	1,40,963
	Total in ₹	2,13,601	1,40,963

### Note : 18 Other Administrative Expenses

Sr. No.	Particulars	₹	₹
		2022	2021
1	Audit Fees	40,000	40,000
2	Electricity Expenses	64,800	39,610
3	Insurance Expenses	1,78,820	1,74,834
4	Rent Expenses	7,80,000	4,80,000
5	Municipal Taxes	35,571	26,235
6	Exhibition Expenses	37,086	5,98,202
7	Office Expenses	1,60,044	15,070
8	Telephone Expenses	23,518	3,125
9	ROC, BSE & NSDL Expenses	4,36,640	3,22,512
10	Bad Debts	58,135	-
11	Repairing & Maintenance Expenses	2,16,032	1,64,980
12	Other Expenses	3,49,989	19,12,636
13	Misc. Expenses	8,70,572	10,88,215
14	Legal & Professional Fees	4,500	1,08,000
15	Petrol Exp	5,27,667	-
	Total in ₹	37,83,374	49,73,419



**Note : Ratio Analysis**

	Particulars	2022	2021
(A)	<b>Current Ratio</b> (in times) (Current Assets/Current Liabilities)	2.11	2.96
(B)	<b>Inventory Turnover Ratio</b> (in times) (Revenue From Operation/Closing Inventory)	5.78	4.01
(C)	<b>Trade Receivable Turnover Ratio</b> (in times) (Revenue From Operation/Trade Receivable)	6.46	15.46
(D)	<b>Trade Payable Turnover Ratio</b> (in times) (Total Purchase/Trade Payable)	170.01	1,590.87
(E)	<b>Net Working Capital Turnover Ratio</b> (in times) (Revenue From Operation/Net Working Capital)	5.62	4.58
(F)	<b>Return on Equity</b> (Profit For Equity Shareholders/Equity)*100	5.51%	1.74%
(G)	<b>Net Profit Ratio</b> (Net Profit/Revenue From Operation)*100	1.00%	0.39%
(H)	<b>Return on Capital Employed</b> (PBIT/Capital Employed)*100	5.65%	1.93%
(I)	<b>Debt Equity Ratio</b> (in times) (Total Outside Liabilities/Equity)	0.84	0.49
(J)	<b>Debt Service Coverage Ratio</b> (in times) (PAT+Interest Exp)/(Interest Expenses)	2.73	3.89



## Bhakti Gems and Jewellery Limited.

### Significant Accounting Policies and Notes forming parts of Accounts

**Note : 19**

**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	40,000/-	40,000/-

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

**For, Bhagat & Co.**  
Chartered Accountants  
FRN No:-127250W

*Sandeep*

**Sandeep H. Mulchandani**  
(Partner)  
Mem. No.: 144241

**Place: Ahmedabad**  
**Date: 22.04.2022**



**For And On Behalf Of The Board**

**For, Bhakti Gems and Jewellery Limited**  
*[Signature]*  
Authorized Signatory / Director

**(Managing Director)**

**For, Bhakti Gems and Jewellery Limited**  
*[Signature]*  
Authorized Signatory / Director

**(Whole Time Director)**

**For, Bhakti Gems and Jewellery Limited**  
*[Signature]*  
(CFO)  
Authorized Signatory / Director

## **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 the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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. Property, Plant and Equipments**

Property, Plant and Equipments 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. 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.

#### J. 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.

#### K. 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.

#### L. Related Party Transactions:-

In accordance with the requirements of Indian Accounting Standard-24, the following transactions are considered as Related Party transactions:-

Sr. No.	Name	2021-22	Relationship	Nature of transaction
1.	Akshay S Mehta	7,20,000/-	Director	Remuneration paid
2.	Varsha A Mehta	4,50,000/-	Director	Remuneration paid
3.	Akshay S Mehta	7,80,000/-	Director	Rent paid
4.	Akshay S Mehta	2,71,85,236/-	Director	Unsecured Loan Taken
5.	Varsha A Mehta	56,08,607/-	Director	Unsecured Loan Taken
6.	Meet P Mehta	70,86,021/-	Director	Unsecured Loan Taken



**M. Foreign Currency Transaction**

There are no such foreign currency transactions during the year.

**N. C/F Value of Import Raw Materials: NIL**

**O. Expenditure in Foreign Currency: NIL**

**P. Earning per Share:** The Earning Per Share (IndAS-33) has been computed as under:

(a) Profit after tax	Rs. 87,77,688/-
(b) Equity Share (In Number)	No. 10026345
(c) Nominal value of share	Rs. 10 per share
(d) EPS	Rs. 0.88

**For, Bhagat & Co.  
Chartered Accountants  
FRN No:-127250W**

*Sandeep*



**Sandeep H. Mulchandani  
(Partner)  
Mem. No.: 144241**

**Place: Ahmedabad  
Date:22.04.2022**

**For And On Behalf Of The Board**

**For, Bhakti Gems and Jewellery Limited  
21/04/2022  
Authorised Signatory / Director**

**For, Bhakti Gems and Jewellery Limited  
*[Signature]*  
Authorised Signatory / Director**

**(Managing Director) (Whole Time Director)**

**For, Bhakti Gems and Jewellery Limited  
(CFO) *[Signature]*  
Authorised Signatory / Director**

## Bhakti Gems and Jewellery Limited

209, Shree Balaji Paragon, Near Circle - P, C.G Road, B/S Rock Regency Hotel, Opposite Axis Bank, Ahmedabad, Gujarat, 380009

**STATEMENT OF STANDALONE UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 31ST DECEMBER, 2022**

in Lakhs

Sr. No	Particulars	Quarter Ended	Nine Month Ended	Nine Month Ended	Half Year Ended		Year Ended
		31.12.2022	31.12.2022	31.12.2021	30.09.2022	30.09.2021	31.03.2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>Income:</b>						
I	Revenue from operations	3963.58	7950.78	5762.47	3987.20	3027.71	8775.89
II	Other income	0.00	0.00	75.40	0.00	36.51	121.42
III	<b>Total Income (I + II)</b>	<b>3963.58</b>	<b>7950.78</b>	<b>5837.87</b>	<b>3987.20</b>	<b>3064.22</b>	<b>8897.31</b>
	<b>Expenses:</b>						
	Cost of materials consumed	-	-	-	0.00	1.68	-
	Purchase of Stock-in-Trade	3329.12	7,237.38	5,931.43	3908.26	2,143.03	8,466.08
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	515.28	456.20	(211.02)	(59.08)	850.34	175.05
	Employee Benefit Expense	13.31	33.34	30.21	20.03	-	50.19
	Financial Costs	20.14	40.18	20.44	20.04	-	50.65
	Depreciation and Amortization Expense	0.28	0.83	-	0.55	-	2.13
	Other Expenses	61.29	114.01	25.11	52.72	41.51	37.8
	<b>Total Expense</b>	<b>3939.42</b>	<b>7881.94</b>	<b>5796.17</b>	<b>3942.52</b>	<b>3036.56</b>	<b>8781.90</b>
V	<b>Profit before exceptional items and tax (III - IV)</b>	<b>24.16</b>	<b>68.84</b>	<b>41.70</b>	<b>44.68</b>	<b>27.66</b>	<b>115.41</b>
VI	Exceptional Items	-	-	-	-	-	-
VII	<b>Profit before tax (V- VI)</b>	<b>24.16</b>	<b>68.84</b>	<b>41.70</b>	<b>44.68</b>	<b>27.66</b>	<b>115.41</b>
VIII	<b>Tax expense:</b>						
	(1) Current tax	11.08	22.08	2.00	11.00	2.00	27.00
	(2) Deferred tax	-	-	-	-	-	0.63
IX	<b>Profit(Loss) from the period from continuing operations (VII - VIII)</b>	<b>13.08</b>	<b>46.76</b>	<b>39.70</b>	<b>33.68</b>	<b>25.66</b>	<b>87.78</b>
X	Profit(Loss) from the period from discontinuing operations before tax	-	-	-	-	-	-
XI	Tax expense of discontinuing operations	-	-	-	-	-	-
XII	<b>Profit(Loss) from Discontinuing operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
XIII	<b>Profit/(Loss) for the period (IX + XII)</b>	<b>13.08</b>	<b>46.76</b>	<b>39.70</b>	<b>33.68</b>	<b>25.66</b>	<b>87.78</b>
XIV	Other comprehensive income net of tax	-	-	-	-	-	-
XV	<b>Total Comprehensive Income for the year</b>	<b>13.08</b>	<b>46.76</b>	<b>39.70</b>	<b>33.68</b>	<b>25.66</b>	<b>87.78</b>
XVI	<b>Details of Equity Share Capital</b>						
	Paid-up Equity share capital (at par Value of Rs. 10 each)	1,002.63	1,002.63	1,002.63	1,002.63	1,002.63	1,002.63
XVII	<b>Earning per share:</b>						
	<b>Earning per equity share for continuing operations</b>						
	(1) Basic earnings (loss) per share from continuing operations	0.13	0.47	0.40	0.34	0.26	0.88
	(2) Diluted earnings (loss) per share from continuing operations	0.13	0.47	0.40	0.34	0.26	0.88
	<b>Earning per equity share for discontinued operations</b>						
	(1) Basic earnings (loss) per share from discontinued operations	-	-	-	-	-	-
	(2) Diluted earnings (loss) per share from discontinued operations	-	-	-	-	-	-
	<b>Earning per equity share</b>						
	(1) Basic earnings(loss) per share from continuing and discontinued operations	0.13	0.47	0.40	0.34	0.26	0.88
	(2) Diluted earnings(loss) per share from continuing and discontinued operations	0.13	0.47	0.40	0.34	0.26	0.88

**Notes:**

- 1) The above Financial Results were reviewed by the Audit Committee and Approved by the Board of Directors at their respective Meeting held on 06-02-2023
- 2) The Company's business activity fall within a single primary business segment.
- 3) Previous year's figures are re-grouped, re-classified wherever necessary.

Date: 06-02-2023  
Place: Ahmedabad



By order of the Board of Directors  
For, Bhakti Gems and Jewellery Limited

25/12/2022  
Akshay S. Mehta  
(Managing Director)  
DIN: 02986761

## Bhakti Gems and Jewellery Limited

209, Shree Balaji Paragon, Near Circle - P, C.G Road, B/S Rock Regency Hotel, Opposite Axis Bank, Ahmedabad, Gujarat, 380009

### STATEMENT OF ASSET & LIABILITIES AS ON 31st DECEMBER, 2022

Particulars	Nine Month Ended	Year Ended
	31.12.2022	31.03.2022
	Unaudited (in lakh)	Audited (in lakh)
<b>ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(i) Property, Plant And Equipment	87.43	31.85
(ii) Intangible Assets		
(iii) Capital Work in Progress		
(iv) Intangible assets under development		
<b>Non-Current Financial Assets</b>		
(a) Non-Current Investments		
(b) Trade Receivables, Non-Current		
(c) Loans, Non-Current		
(d) Other Non-Current Financial Assets		
Deffered tax assets (net)		
<b>Total Non Current Assets</b>	<b>87.43</b>	<b>31.85</b>
<b>(2) Current Assets</b>		
Inventories	1,060.97	1517.17
<b>Current Financial Assets</b>		
(a) Current investments		
(b) Trade receivables	1,574.11	1359.27
(c) Cash and cash equivalents	10.66	4.92
(d) Bank Balance other than Cash and cash equivalents		
(e) Loans, Current		
(f) Other Current Financial Assets		
<b>Total Current Financial Assets</b>	<b>1584.77</b>	<b>1364.19</b>
<b>Total Current Assets</b>	<b>2725.12</b>	<b>2964.95</b>
Current Tax Assets (net)		
Other Current Assets	79.38	83.59
<b>Total Current Assets</b>	<b>2725.12</b>	<b>2964.95</b>
<b>Total Assets</b>	<b>2812.55</b>	<b>2,996.80</b>
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
Equity Share Capital	1002.63	1002.63
Other Equity	636.61	589.86
<b>Total Equity</b>	<b>1639.24</b>	<b>1,592.49</b>
<b>(2) Liabilities</b>		
<b>Non-Current Liabilities</b>		
<b>Non-Current Financial Liabilities</b>		
(a) Borrowings , non current		
(b) Trade Payables , non current		
(c) Other non current financial liabilities		
<b>Total Non-Current Financial Liabilities</b>		
Provision, non current		
Deffered tax liabilities (net)	1.40	1.40
Other non current liabilities		
<b>Total Non-Current Liabilities</b>	<b>1.40</b>	<b>1.40</b>
<b>Current Liabilities</b>		
<b>Current Financial Liabilities</b>		
(a) Borrowings , current	1073.61	1,344.94
(b) Trade Payables , current		
(i) Total Outstanding dues of Micro Small & Medium Enterprises		
(ii) Total Outstanding dues of creditors other than Micro Small & Medium Enterprises	95.69	49.80
(c) Other current financial liabilities		
<b>Total Current Financial Liabilities</b>	<b>1169.30</b>	<b>1394.74</b>
Other Current liabilities	1.81	3.37
Provision, current	0.80	4.8
Current tax liabilities (net)		
<b>Total Current Liabilities</b>	<b>1171.91</b>	<b>1402.91</b>
<b>Total Liabilities</b>	<b>1173.31</b>	<b>1404.31</b>
<b>Total Equity and Liabilities</b>	<b>2812.55</b>	<b>2,996.80</b>

By order of the Board of Directors  
For, Bhakti Gems and Jewellery Limited

*Akshay S. Mehta*

Akshay S. Mehta  
Managing Director  
DIN: 02986761



Date: 06.02.2023  
Place: Ahmedabad

## Bhakti Gems and Jewellery Limited

209, Shree Balaji Paragon, Near Circle - P, C.G Road, B/S Rock Regency Hotel, Opposite Axis Bank, Ahmedabad,  
Gujarat, 380009

### CASH FLOW STATEMENT FOR THE QUARTER ENDED ON 31ST DECEMBER, 2022

(Rs. In Lacs)

PARTICULARS	Nine Month ended 31.12.2022	Year ended 31.03.2022
<b>A. Cash Flow from Operating Activity</b>		
Profit before Taxation and Extra Ordinary Items		
Add : Non Cash & Non Operating Expenses	68.84	115.41
Depreciation	0.83	2.13
Interest Expenses	40.18	50.65
Other Income	0.00	0.00
<b>Operating Profit before Working Capital Changes</b>	<b>109.85</b>	<b>168.19</b>
Adjustment for;		
(Increase) / Decrease in Inventory	456.20	175.06
(Increase) / Decrease in Trade Receivable	-214.84	-919.97
Increase/(Decrease) in Trade Payables	45.89	44.98
(Increase)/ Decrease in Loans & Advances	0.00	0.00
(Increase) / Decrease in other Current Assets	4.21	16.84
Increase / (Decrease) in Current Liabilities	-1.57	1.26
Increase / (Decrease) in Short Term Borrowings	-271.33	607.90
Increase / (Decrease) in Short Term Provisions	-4.00	-6.78
(Increase) / Decrease in Current Investment		
<b>Cash Generated from Operation</b>	<b>124.41</b>	<b>87.48</b>
Taxes Paid	22.08	27.00
<b>Net Cash Flow from Operating Activities</b>	<b>102.33</b>	<b>60.48</b>
<b>B. Cash Flow from Investing Activity</b>		
(Increase) / Decrease in Fixed Assets (net)	-56.41	-9.43
(Increase) / Decrease in Investments & Accrued Interest thereon		
Finance Cost	-40.18	
Interest Income		
Other Income	-96.59	-9.43
<b>Net Cash Flow from Investing Activities</b>		
<b>C. Cash Flow from Financing Activity</b>		
Proceeds from Issue of Shares		
Adjustment of earlier in Retained Earning		-1.32
<b>Net Cash Flow from Financing Activities</b>	<b>0.00</b>	<b>-1.32</b>
Net Increase / (Decrease) in Cash & Cash Equivalents	5.74	-0.92
Opening Balance of Cash & Cash Equivalents	4.92	5.84
Closing Balance of Cash & Cash Equivalents	10.66	4.92
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>5.74</b>	<b>-0.92</b>

By order of the Board of Directors  
For , Bhakti Gems and Jewellery Limited

*20/02/2022*  
Akshay S. Mehta  
Managing Director  
DIN: 02986761



Date: 06-02-2022  
Place: Ahmedabad

**BHAGAT & CO.**  
**Chartered Accountants**

24 Laxmi Chambers, Navjeevan Press Road, Nr. Old High Court, Income Tax, Ahmedabad - 380014  
Email id: [bhagatco2015@gmail.com](mailto:bhagatco2015@gmail.com), Tel. 079/48988866, Mob: 9998040610

To  
The Board of Directors  
Bhakti Gems and Jewellery Limited  
209, Shree Balaji Paragon, B/S Rock Regency Hote.,  
Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad-380039

**Sub.: Limited Review Report**

**Ref.: Unaudited Financial Results for the quarter ended on 31.12.2022**

Dear Sir,

We have reviewed the accompanying statement of unaudited financial results of **Bhakti Gems and Jewellery Limited** ("the Company") for the quarter ended on December 31, 2022. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For, BHAGAT & CO.  
Chartered Accountants  
Firm Registration No.: 127250W

  
Shankar Prasad Bhagat  
Partner

Membership No.: 052725  
UDIN: 23052725BGWWAW4431  
Place: Ahmedabad  
Date: 06-02-2023



**BHAGAT & CO.**  
**Chartered Accountants**

24 Laxmi Chambers, Navjeevan Press Road, Nr. Old High Court, Income Tax, Ahmedabad – 380014  
Email id: [bhagatco2015@gmail.com](mailto:bhagatco2015@gmail.com), Tel. 079/48988866, Mob: 9998040610

**RESTATED FINANCIAL STATEMENTS**

To,  
The Board of Directors,  
**Bhakti Gems and Jewellery Limited**  
209, Shree Balaji Paragon,  
B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P,  
C. G. Road, Ahmedabad 380009 Gujarat, India

**Sub.: Auditors' Report on Restated Financial Information in connection with the Right Issue of Bhakti Gems And Jewellery Limited**

Dear Sir,

1. We, Bhagat & Co. Chartered Accountants, have examined the attached Restated Summary Statements and Other Financial Information of **Bhakti Gems And Jewellery Limited**, (hereinafter referred to as "**the Company**" or "**Issuer**") described below and annexed to this report for the Financial year ending on March 31, 2022, 2021 and 2020 and Limited Review Report for the YTD ending on December 31<sup>st</sup>, 2022 based on the Audited financial statements of the Company (collectively referred to as the "**Restated Financial Statements**"). The said Restated Financial Statements and other Financial Information have been prepared for the purpose of inclusion in the in the Draft Letter of Offer ("DLOF") and Letter of Offer ("LOF"), in connection with its proposed Rights issue of equity shares of the Company of face value of Rs. 10 each ("Proposed Rights issue"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
  - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") as amended;
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations") and as per Schedule VI (Part B-1) (14) of the said Regulations; and
  - c. The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note")

**Management's Responsibility for the Restated Consolidated Summary Statements**

2. The company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with BSE Limited and the Registrar of Companies, in connection with the proposed Rights Issue. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note, as may be applicable.

**Auditors' Responsibilities**

3. We have examined such Restated Financial Statements taking into consideration:
  - a. The terms of reference and our engagement agreed with you vide our engagement letter dated 11<sup>th</sup> February, 2023 requesting us to carry out work on such Restated Financial Statements, proposed to be included in the DLOF of the Company in connection with the Company's Proposed Rights issue;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence



- supporting the Restated Summary Statements; and
- d. The requirements of Section 26 of Companies Act, and applicable provisions of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Rights issue.

#### Restated Financial Statements

4. The Company's Financial Statements for the YTD ended on December 31<sup>st</sup>, 2022 (Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020 which have been approved by the Board of Directors at their meeting held on February 06, 2023, September 05, 2022, September 07, 2021 and October 29, 2020 respectively and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company's Management. The Financial Statement of the Company for the YTD ended on December 2022, and financial year ended on March 31, 2022, which has been limited reviewed audited by M/s. Bhagat & Co. as statutory auditor and financial year ended on March 31, 2021 and 2020 which has been audited by M/s. Parth Shah & Associates, as statutory auditor and accordingly reliance has been placed on the financial information examined by them for the said years. Our financial report included for the same is based solely on the audited financial reports submitted by them.
5. In terms of Schedule VI, PART B-1(14) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to the accounts of the Company, we report that:
- (a) The **Restated Statement of Assets and Liabilities** as at YTD ended December 2022 (Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, examined by us, as set out in **Annexure 1** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
- (b) The **Restated Statement of Profit and Loss** of the Company for the YTD ended on December 2022 (Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, examined by us, as set out in **Annexure 2** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
- (c) The **Restated Statement of Cash Flows** of the Company for the YTD ended on December 2022 (Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, examined by us, as set out in **Annexure 3** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 & 4.1 to this Report.
- As a result of these adjustments, the amounts reporting in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.
6. Based on the above, as per the reliance placed by us on the Audited Financial Statements of the Company and report thereon given by the Statutory Auditor of the Company for the YTD ended on December 2022 (Limited Review Report), and financial year ended on March 31, 2022, 2021 and 2020, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement:
- (a) have been made after incorporating adjustments for prior period and other material amounts, if any, in the **respective financial years to which they relate to;**
- (b) do not contain any extra ordinary items that need to be disclosed separately other than those presented in



the Restated Financial Statement and do not contain any qualification requiring adjustments;

- (c) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial from Quarter ending on December 2022, and financial year ended on March 31, 2022, 2021 and 2020, which would require adjustments in this Restated Financial Statements of the Company;

Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 to this report;

- (d) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,
- (e) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements;
- (f) There are revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
- (g) The Company has not paid any dividend since its incorporation.
7. We have also examined the following other Restated Financial Information as set out in the respective Annexure to this report and forming part of the Restated Financial Statement, prepared by the management of the Company for the YTD ended on December 2022 (Limited Review Report), Period ended March 31, 2022, 2021 and 2020, proposed to be included in the Draft Letter of Offer (“DLOF”) and Letter of Offer (“LOF”), in connection with its proposed Rights issue of equity shares of the Company of face value of Rs. 10 each (“Proposed Rights issue”):
1. Statement of Share Capital and Reserves & Surplus, as restated in **Annexure 05** to this report.
  2. Statement of Deferred Tax Liabilities as restated in **Annexure 06** to this report.
  3. Statement of Short Term Borrowings as restated in **Annexure 07** to this report.
  4. Statement of Trade Payables as restated in **Annexure 08** to this report.
  5. Statement of Current Liabilities as restated in **Annexure 09** to this report.
  6. Statement of Short Term Provisions as restated in **Annexure 10** to this report.
  7. Statement of Fixed Assets as restated in **Annexure 11** to this report.
  8. Statement of Inventory as restated in **Annexure 12** to this report.
  9. Statement of Trade Receivables as restated in **Annexure 13** to this report.
  10. Statement of Cash and Cash Equivalents as restated in **Annexure 14** to this report.
  11. Statement of Short term loans and advances as restated in **Annexure 15** to this report.
  12. Statement of other current assets as restated in **Annexure 16** to this report
  13. Statement of Revenue from Operations as restated in **Annexure 17** to this report.
  14. Statement of Other Income as restated in **Annexure 18** to this report.
  15. Statement of purchases of Stock-In-Trade as restated in **Annexure 19** to this report.
  16. Statement of Changes in Inventories as restated in **Annexure 20** to this report.



17. Statement of Employee Benefit Expenses as restated in **Annexure 21** to this report.
  18. Statement of Finance Costs restated in **Annexure 22** to this report.
  19. Statement of Other Expenses as restated in **Annexure 23** to this report.
  20. Statement of Dividend Declared as restated in **Annexure 24** to this report.
  21. Statement of Tax Shelters as restated in **Annexure 25** to this report.
  22. Statement of Contingent Liabilities as restated in **Annexure 26** to this report.
  23. Statement of Related Party Transactions as restated in **Annexure 27** to this report.
  24. Other Financial Information as restated in **Annexure 28** to this report.
  25. Statement of Capitalized as restated in **Annexure 29** to this report.
  26. Statement of Financial Indebtness as restated in **Annexure 30** to this report.
8. We, Bhagat & Co., Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate Number 012958 dated April 9, 2021 valid till March 31, 2024 w.e.f. March 30, 2021 and as issued by the “Peer Review Board” of the ICAI.
  9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.
  10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Standalone Financial Information referred to herein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. In our opinion, the above Restated Financial Statements contained in Annexure 1 to 30 to this report read along with the ‘Significant Accounting Policies and Notes to the Restated Financial Statements’ appearing in Annexure 4 after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.
  13. Our report is intended solely for use of the Management and for inclusion in the DLOF and LOF to be filed with SEBI and BSE Limited in connection with the proposed Rights Issue of the Company and is not to be used, referred to or distributed for any other purpose except with our prior written consent.

**For, Bhagat & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 127250W**



**Shankar Prasad Bhagat**  
**Membership No.: 052725**  
**Partner**



**Place: Ahmedabad**

**Date: 11.02.2023**

**UDIN: 23052725BGWWBV8403**

**ANNEXURE 01****STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED****(Rs. In Lakhs)**

<b>Particulars</b>	<b>Annexure nos.</b>	<b>As on December, 31<sup>st</sup> 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
<b>Equity &amp; Liabilities</b>					
<b>Shareholders' Funds</b>					
Share Capital	5	1002.63	1002.63	1002.63	1002.63
Share Application Money					
Reserve & Surplus	5	636.62	589.86	503.40	478.64
<b>Total (A)</b>		<b>1639.25</b>	<b>1592.49</b>	<b>1506.04</b>	<b>1481.27</b>
<b>Non-Current Liabilities</b>					
Long Term Borrowings					
Deferred Tax Liabilities (Net)	6	1.41	1.41	0.78	0.78
Long Term Provisions					
<b>Total (B)</b>		<b>1.41</b>	<b>1.41</b>	<b>0.78</b>	<b>0.78</b>
<b>Current Liabilities</b>					
Short Term Borrowings	7	1073.61	1344.94	737.04	-
Trade Payables	8	95.69	49.80	4.81	16.74
Other Current Liabilities	9	1.81	3.37	2.11	1.95
Short Term Provisions	10	0.80	4.80	11.56	11.09
<b>Total (C)</b>		<b>1171.91</b>	<b>1402.91</b>	<b>755.52</b>	<b>29.77</b>
<b>Total (D=A+B+C) - TOTALLIABILITIES</b>		<b>2812.55</b>	<b>2996.81</b>	<b>756.30</b>	<b>1511.82</b>
<b>Non Current Assets</b>					
<b>Fixed Assets</b>					
Tangible Asset	11	87.43	31.85	24.56	16.87
Intangible Asset					
Non-Current Investments					
Long Term Loans & Advances					
Other Non-Current Assets					
Deferred Tax Assets					
<b>Total (E)</b>		<b>87.43</b>	<b>31.85</b>	<b>24.56</b>	<b>16.87</b>
<b>Current Assets</b>					
Current Investments					
Inventories	12	1060.97	1517.17	1692.23	703.80
Trade Receivables	13	1574.11	1359.27	439.30	565.81
Cash & Bank Balances	14	10.66	4.92	5.84	26.15
Short Term Loans & Advances	15	-	-	-	106.33
Other Current Assets	16	79.38	83.59	100.42	92.86
<b>Total (F)</b>		<b>2725.12</b>	<b>2964.96</b>	<b>2237.78</b>	<b>1494.95</b>
<b>Total (G=E+F) - TOTAL ASSETS</b>		<b>2812.55</b>	<b>2996.81</b>	<b>2262.34</b>	<b>1511.82</b>

**ANNEXURE 02****STATEMENT OF PROFIT & LOSS, AS RESTATED****(Rs. In Lakhs)**

Particulars	Annexure nos.	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Revenue</b>					
<b>I. Revenue From Operation</b>					
Sale of Products	17	7950.79	8775.89	6790.41	5503.91
<b>II. Other Income</b>	18	-	121.42	4.35	8.79
<b>Total Revenue (I+II)</b>		<b>7950.79</b>	<b>8897.31</b>	<b>6794.76</b>	<b>5512.71</b>
<b>Expenses</b>					
Purchase of Stock-in-Trade	19	7237.38	8466.08	7654.89	5113.63
Changes in Inventories	20	456.20	175.05	(988.43)	261.19
Employee Benefit Expenses	21	33.34	50.19	33.91	35.37
Finance Cost	22	40.18	50.62	9.08	6.84
Depreciation and Amortization Expenses		0.83	2.13	1.41	1.12
Other Expenses	23	114.01	37.83	49.73	64.56
<b>Total Expenses</b>		<b>7881.94</b>	<b>8781.90</b>	<b>6760.61</b>	<b>5482.70</b>
<b>Profit before extraordinary items and tax</b>		<b>68.84</b>	<b>115.41</b>	<b>34.16</b>	<b>30.00</b>
<b>Prior period items (Net)</b>					
<b>Net profit before Tax - Operating Income</b>		<b>68.84</b>	<b>115.41</b>	<b>34.16</b>	<b>30.00</b>
<b>Provision for Taxes</b>					
1. Current taxes		22.08	27	7	7
2. Tax adjustment of earlier years		-	-	0.89	-
4. Deferred tax (Assets)\ Liabilities		-	0.63	-	0.25
<b>Profit after tax and before extraordinary items</b>		<b>46.76</b>	<b>87.78</b>	<b>26.27</b>	<b>22.75</b>
Extraordinary items		-	-	-	-
<b>Net Profit after extraordinary items available for appropriation</b>		<b>46.76</b>	<b>87.78</b>	<b>26.27</b>	<b>22.75</b>
Proposed Dividend		-	-	-	-
Dividend distribution tax		-	-	-	-
<b>Net profit carried to Balance sheet</b>		<b>46.77</b>	<b>87.78</b>	<b>26.27</b>	<b>22.75</b>

**ANNEXURE 03****STATEMENT OF CASH FLOWS, AS RESTATED****(Rs. In Lakhs)**

<b>Particulars</b>	<b>As on December, 31<sup>st</sup> 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
<b>A. Cash Flows From Operating Activities</b>				
Net Profit before Tax	68.84	115.41	34.16	30.01
<b>Adjustments for:-</b>				
Depreciation	0.83	2.13	1.41	1.12
Interest & Finance charges	40.18	50.62	9.08	6.84
Other Income	-	-	(4.35)	(1.51)
Preliminary Expenses Written Off (Net)	-	-	-	-
<b>Operating Cash Generated Before Working Capital Changes</b>	<b>109.85</b>	<b>168.16</b>	<b>40.30</b>	<b>36.45</b>
Decrease (Increase) in Current Investments	-	-	-	-
(Increase) / Decrease in Inventory	456.20	175.05	(988.43)	325.75
(Increase)/ Decrease in Receivables	(214.84)	(919.98)	126.51	146.26
(Increase) / Decrease in Loans and Advances	-	-	106.33	90.58
(Increase)/Decrease in Other current assets	4.21	16.83	(7.55)	(5.10)
Increase/(Decrease) in Short term borrowing	(271.33)	607.91	737.04	-
Increase/(Decrease) in Trade Payable	45.89	44.99	(11.92)	(15.06)
Increase/(Decrease) in Other Liabilities	(1.56)	1.26	0.16	(6.74)
Increase / (Decrease) in Short Term Provisions	(4.00)	(6.77)	0.47	-
Increase / (Decrease) in Long Term Provisions	-	-	-	-
<b>Cash generated from operations</b>	<b>124.41</b>	<b>87.46</b>	<b>2.91</b>	<b>279.62</b>
Less : Direct taxes (paid) / refund	22.08	27	7.89	7.00
Less : Appropriation of Profit	-	-	-	-
<b>Net Cash from before Extra-ordinary items</b>				
Extra-ordinary items	-	-	-	-
<b>Net Cash Flow from Operating Activities (A)</b>	<b>102.33</b>	<b>60.46</b>	<b>(4.98)</b>	<b>272.62</b>
<b>B. Cash Flows From Investing Activities</b>				
Sale / (Purchase) of Fixed Assets (Net)	(56.40)	(9.43)	(9.10)	(0.78)
Sale / (Purchase) of Non-Investments (Net)	-	-	4.35	10.24
Interest Received	-	-	-	-
Finance Cost	(40.18)	(50.62)	(9.08)	-
Other Income	-	-	-	-
Long term Loans & Advances	-	-	-	-
Sale of Investment	-	-	-	-
<b>Net Cash Generated From Investing Activities(B)</b>	<b>(97.00)</b>	<b>(60.06)</b>	<b>(13.83)</b>	<b>11.03</b>
<b>C. Cash Flow From Financing Activities</b>				
Net Increase/(Decrease) in Short Term Borrowings	-	-	-	-
Share Application Money Received	-	-	-	-
Proceeds / (Repayment) of Long Term Borrowings	-	-	-	(302.77)
Increase/(Decrease) in Unsecured Loans	-	-	-	-
Proceeds From issue of Share Capital	-	-	-	-
Increase/(Decrease) in Share Premium	-	-	-	-

Share Issue Expense	-	-	-	-
Adjustments in Reserves and Surplus	-	(1.32)	(1.50)	-
Decrease (Increase) in Long Term Loans & Advances	-	-	-	-
Increase / (Decrease) in Short term Borrowings	-	-	-	-
Finance Cost	-	-	-	-
Interest Expenses	-	-	-	(6.84)
Interest Income			-	1.51
Dividend Paid (including Dividend Tax)	-	-	-	-
<b>Net Cash from Financing Activities [C]</b>	<b>-</b>	<b>(1.32)</b>	<b>(1.50)</b>	<b>(308.09)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>5.74</b>	<b>(0.92)</b>	<b>(20.31)</b>	<b>(24.44)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	4.92	5.84	26.15	1.71
<b>Closing Balance of Cash and Cash Equivalents</b>	10.66	4.92	5.84	26.15

## **ANNEXURE 04-SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

### **I. Corporate Information:**

The Founder promoter of our Company Mr. Akshay Mehta is in the business of Gold Jewellery since 2001. He along with his wife incorporated Company at Ahmedabad as " Bhakti Gems and Jewellery Private Limited" on 30/03/2010 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently the company was converted into a Public Limited Company vide fresh certificate of incorporation dated 18th January, 2017 and the name was changed to "Bhakti Gems and Jewellery Limited"

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 jewellerys are designed by us and 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. Moreover, our ethical trade practices, transparent business dealings and timely delivery of products help us in maintaining cordial relations with our customers. Our Company strives at all times to provide products that offer our customers the designs with superior finish and quality.

Our Promoters Akshay S. Mehta and Varshaben A. Mehta have around 22 years and 15 years of experience respectively in gems and jewellery industry and with their innovative business ideas, in-depth knowledge and excellent management skills.

### **II. Basis of Preparation:**

The Restated Summary Statements of Assets and Liabilities of the Company for the YTD ended December 31<sup>st</sup>, 2022 and for the period ended March 31, 2022, 2021 and 2020, and the related Restated Summary Statements of Profits and Losses and Cash Flows Statement for the YTD ended December 31, 2022 and for the period ended March 31, 2022, 2021 and 2020, have been compiled by management from the financial statements of the company for the Quarter ended December 31, 2022 and for the period ended March 31, 2022, 2021 and 2020.

“The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with applicable Indian Accounting Standards and the requirements of the notified sections, schedules and rules of the Companies Act 2013.”

The presentation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and Liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which results are known/ materialized."

### **III. Significant Accounting Policies:**

#### **(a) Use of Estimates:**

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with applicable Indian Accounting Standards and the requirements of the notified sections, schedules and rules of the Companies Act 2013.

#### **(b) Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period.

**(c) Cash and cash equivalents:**

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into loan amounts of cash and which are subject to insignificant risk of changes in values.

**(d) Fixed Assets:**

Fixed Assets (Property, Plant and Equipment) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

**(e) Depreciation and Amortization:**

Depreciation on tangible fixed assets is provided on WDV method in accordance with the provisions of the Income Tax Act, 1961 and on additions / disposals during the year, on pro-rata basis.

**(f) Impairment:**

The carrying amounts of property, plant & equipment are reviewed at each balance sheet date to determine, if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of the property, plant & equipment exceeds its recoverable amount which represents greater of the "net selling price" and "value in use" of the respective assets. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

**(g) Revenue Recognition:**

- Revenue is recognized to the extent that it is probable that the economics benefit will flow to the company, there is reasonable certainty of collection and it can be reliable estimated.
- Other items of revenue recognized are in accordance with the Accounting Standard issued by the Institute of Chartered Accountant of India.

**(h) Segment Reporting:**

As the Company's principle business activities fall within two different segment viz wholesale business of Gold Jewellery and real estate business but it has not yet started any activities in real estate business. Hence, the disclosure requirement is not applicable.

**(i) Inventories**

Items of Inventories are measured at lower cost and net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other cost including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spare, packing materials, trading and other products are determined on weighted average basis by- Products are valued at net realizable value.

**(j) Foreign Currency Transactions:**

There is no foreign currency transactions in the company.

**(k) Investments:**

Company do not made any investments.

**(l) Borrowing Cost:**

Borrowing costs that are directly attributable to and incurred on acquiring qualifying assets (assets that necessarily takes a substantial Year of time for its intended use) are capitalized. Other borrowing costs are recognized as expenses in the period in which same are incurred.

**(m) Employee Benefits:**

The company is not liable to contributes on a defined contribution basis to employee’s provident fund and employee’s family pension fund towards post employment benefits.

The gratuity act is not applicable to the company.

The employees of the company are entitled to leave as per rules and regulations. However there is no unutilized leave and hence no actual actuarial valuation is carried out.

**(n) Taxation:**

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard issued by ICAI.

**(o) Provisions and Contingent Assets/ (Liabilities):**

Provisions are recognized when the company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the best estimate of expenditure, that is required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized or disclosed in the financial statements.

**(Rs. In Lakhs)**

Particulars	As on December 31 <sup>st</sup> , 2022	March 31,		
		2022	2021	2020
Claim against company not acknowledge as debts	-	-	-	-
in respect of Income Tax	-	-	-	-
in respect of Commercial Tax	-	-	-	-
<b>Total</b>	-	-	-	-

**(p) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

**(q) Impairment of Assets:**

The Company evaluates all its assets for assessing any impairment and accordingly recognizes the impairment, wherever applicable.

#### IV. Changes Accounting Policies In The Years/Periods Covered In The Restated Financial

There is no change in significant accounting policies during the reporting period except, as and when Accounting Standards issued by the Institute of Chartered Accountants of India made applicable on the relevant dates.

#### V. Notes to Reconciliation of Restated Profit

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

Particulars	(Rs. In Lakhs)			
	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Profit after tax before appropriation (as per Audited accounts)	46.76	87.78	26.27	22.75
<b>Adjustments</b>				
Provision for Gratuity	-	-	-	-
Deferred Tax	-	-	-	-
Prior Period	-	-	-	-
Extra-Ordinary Item	-	-	-	-
<b>Profit after Tax as per Restated Profit &amp; Loss Account</b>	<b>46.76</b>	<b>87.78</b>	<b>26.27</b>	<b>22.75</b>

#### VI. Other Notes to Accounts

- a) The company has not received any intimation from supplier regarding their status under micro, small and medium enterprises development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the period end together with interest payable as required under the said Act have not furnished.
- b) The Management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required.
- c) There is no Auditor's Qualification in any of the audited Financial Statements as at and for the periods ended December 31<sup>st</sup>, 2022, March, 2022, 2021, 2020.
- d) Related Party Transactions: The details of Related Party Transactions as per Indian Accounting Standard -24 are provided in Annexure 27.
- e) The Company is not having earning / Expenditure in Foreign Currency in the last Financial Year.
- f) The Company has not given any guarantee to bank or corporate and the Company is no having any contingent liability.
- g) The figures in the Restated Financial Statements and Other Financial Information are stated in Lakhs and rounded off to two decimals and minor rounding off difference is ignored.
- h) There is no adjustment required to be made to the profit or loss for complying with ICDS notified u/s 145(2).

#### ANNEXURE 04.1

#### ADJUSTMENTS MADE IN RESTATED FINANCIAL STATEMENTS / REGROUPING NOTES

##### (i) Adjustments having no impact on Profit

## Material Regrouping

Appropriate adjustments have been made in the restated summary statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

### ANNEXURE 05

#### SHARE CAPITAL AND RESERVES & SURPLUS

##### STATEMENT OF DETAILS OF SHARE CAPITAL, AS RESTATED

(Rs. In Lakhs)				
Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Equity Share Capital - Paid up</b>				
At the Beginning of the period	1002.63	1002.63	1002.63	871.86
<b>Add:</b>				
Allotment during the year	-	-	-	-
Bonus Issue	-	-	-	130.77
Convert from Pref. to Equity Shares	-	-	-	-
<b>Sub Total - O/S at end of period</b>	<b>1002.63</b>	<b>1002.63</b>	<b>1002.63</b>	<b>1002.63</b>
<b>Preference Shares</b>				
Opening Capital	-	-	-	-
Add: Allotment	-	-	-	-
Less : Convert In to Equity Shares	-	-	-	-
<b>Sub Total - Preference Shares</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1002.63</b>	<b>1002.63</b>	<b>1002.63</b>	<b>1002.63</b>

##### STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lakhs)				
Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>A. Surplus</b>				
<b>Opening balance</b>	175.17	88.71	63.94	41.19
<b>Add:</b> Addition during the year	-	-	-	-
Net profit/(Net loss) for the current year	46.76	87.78	26.27	22.75
Other Adjustments	-	(1.32)	(1.50)	
Miscellaneous: Other Income	-	-	-	
<b>Less :</b> Issue of Bonus shares	-	-	-	
<b>Sub Total – Surplus</b>	<b>221.93</b>	<b>175.17</b>	<b>88.71</b>	<b>63.94</b>
<b>B. Revaluation Reserves</b>				
<b>Opening balance</b>	-	-	-	-
<b>Less :</b> Utilized	-	-	-	-
<b>Sub Total – Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>C. Securities Premium</b>	-	-	-	-
<b>Opening Balance</b>	414.69	414.69	414.69	414.69
<b>Add: Share Premium on Issue of Equity Shares</b>	-	-	-	-
<b>Less : Utilized for issue of bonus shares</b>	-	-	-	-
<b>Sub Total - Share Premium</b>	<b>414.69</b>	<b>414.69</b>	<b>414.69</b>	<b>414.69</b>
<b>Total</b>	<b>636.62</b>	<b>589.86</b>	<b>503.40</b>	<b>478.63</b>

#### ANNEXURE 06

#### STATEMENT OF DETAILS OF DEFERRED TAX LIABILITIES (NET)

(Rs. In Lakhs)

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Net Deferred Tax Liabilities	1.41	1.41	0.78	0.78
<b>Total</b>	<b>1.41</b>	<b>1.41</b>	<b>0.78</b>	<b>0.78</b>

#### ANNEXURE 07

#### STATEMENT OF DETAILS OF SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Loan From Bank	1015.65	676.14	467.04	-
Borrowings from Directors and Others	57.95	668.80	270.00	-
Current Maturities of Long term Debt	-	-	-	-
<b>Total</b>	<b>1073.61</b>	<b>1344.94</b>	<b>737.04</b>	<b>-</b>

#### ANNEXURE 08

#### STATEMENT OF TRADE PAYABLE

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> , 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Trade Payable – Creditors	95.69	49.80	4.81	16.74
<b>Total</b>				

#### ANNEXURE 09

#### STATEMENT OF CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Employee Related Payables	-	-	-	-
Statutory Dues				

Particulars	As on December 31 <sup>st</sup> , 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
TDS Payable	1.81	2.90	1.38	1.95
Other Payables	-	0.48	0.74	-
<b>Other Current Liability- Sub Total</b>	<b>1.81</b>	<b>3.38</b>	<b>2.12</b>	<b>1.95</b>

#### ANNEXURE 10

#### STATEMENT OF SHORT TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Provision for Employee Benefits	-	-	-	-
TDS Payable	-	-	-	-
TCS Payable	-	-	-	-
Audit Fees Payable	0.80	0.80	0.40	0.35
Provision for Tax	-	1.25	7.00	9.00
Other Provisions	-	2.75	4.16	1.74
<b>Total</b>	<b>0.80</b>	<b>4.80</b>	<b>11.56</b>	<b>11.09</b>

#### ANNEXURE 11

#### STATEMENT OF FIXED ASSETS AS RESTATED

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> , 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>Property, Plant &amp; Equipment</b>				
<b>Vehicle</b>				
<b>Gross Block</b>				
Opening balance	8.34	8.34	8.34	8.34
Addition during the year	42.03	-	-	-
Reduction during the year	-	-	-	-
<b>Closing balance (GB)</b>	<b>50.37</b>	<b>8.34</b>	<b>8.34</b>	<b>8.34</b>
<b>Depreciation Block</b>				
<b>Opening balance</b>	1.31	0.96	0.96	0.60
Depreciation during the year	-	0.35	-	0.37
Depreciation Deduction during the year	-	-	-	-
<b>Closing balance (DB)</b>	<b>1.31</b>	<b>1.31</b>	<b>0.96</b>	<b>0.96</b>
<b>Net WDV – V</b>	<b>49.05</b>	<b>7.02</b>	<b>7.37</b>	<b>7.37</b>
<b>Furniture</b>				
<b>Gross Block</b>				
Opening balance	1.51	1.15	1.15	1.15
Addition during the year	11.95	0.36	-	-
Reduction during the year	-	-	-	-
<b>Closing balance (GB)</b>	<b>13.46</b>	<b>1.51</b>	<b>1.15</b>	<b>1.15</b>
<b>Depreciation Block</b>				
Opening balance	0.32	0.26	0.22	0.17
Depreciation during the year	0.83	0.06	0.04	0.05

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Closing balance (DB)	1.14	0.32	0.26	0.22
<b>Net WDV – F</b>	<b>12.31</b>	<b>1.19</b>	<b>0.88</b>	<b>0.93</b>
<b>Computer</b>				
<b>Gross Block</b>				
Opening balance	2.60	2.60	2.33	1.37
Addition during the year	-	-	0.27	0.96
Reduction during the year		-	-	-
<b>Closing balance (GB)</b>	<b>2.60</b>	<b>2.60</b>	<b>2.60</b>	<b>2.33</b>
Depreciation Block				
Opening balance	1.50	1.30	1.07	0.83
Depreciation during the year	-	0.21	0.23	0.24
<b>Closing balance (DB)</b>	<b>1.50</b>	<b>1.50</b>	<b>1.30</b>	<b>1.07</b>
<b>Net WDV – C</b>	<b>1.09</b>	<b>1.09</b>	<b>1.30</b>	<b>1.26</b>
<b>Office Equipment</b>				
<b>Gross Block</b>				
Opening balance	5.01	0.83	0.60	0.60
Addition during the year	-	4.18	0.23	-
Reduction during the year	-	-	-	-
<b>Closing balance (GB)</b>	<b>5.01</b>	<b>5.01</b>	<b>0.83</b>	<b>0.60</b>
Depreciation Block				
Opening balance	0.43	0.20	0.18	0.16
Addition during the year	-	0.22	0.03	0.02
Deduction		(0.83)		
<b>Closing balance (DB)</b>	<b>0.43</b>	<b>(0.40)</b>	<b>0.20</b>	<b>0.18</b>
<b>Net WDV – E</b>	<b>4.58</b>	<b>5.40</b>	<b>0.62</b>	<b>0.42</b>
<b>Fixed Assets - Tangible Assets</b>				
Gross Block	96.56	40.15	30.72	21.62
Depreciation Block	9.12	8.30	6.16	4.75
<b>Net Assets Block- Tangible</b>	<b>87.44</b>	<b>31.85</b>	<b>24.56</b>	<b>16.87</b>
<b>Total Net Assets</b>	<b>87.44</b>	<b>31.85</b>	<b>24.56</b>	<b>16.87</b>

## ANNEXURE 12

### STATEMENT OF INVENTORY

Particulars	(Rs. In Lakhs)			
	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Raw Material	9.17	489.84	12.70	160.68
Finished goods	1051.80	1027.34	1679.52	532.56
WIP	-	-	-	-
<b>Total</b>	<b>1060.97</b>	<b>1517.18</b>	<b>1692.22</b>	<b>693.24</b>

**ANNEXURE 13****STATEMENT OF DETAILS OF TRADE RECEIVABLES**

Particulars	(Rs. In Lakhs)			
	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Trade receivables outstanding for a period <b>more</b> than six months from the date they are due for payment & considered good	94.16	94.16	-	-
Trade receivables outstanding for a period <b>less</b> than six months from the date they are due for payment & considered good	1479.96	1265.11	439.30	565.81
Advance to creditors	-	-	-	-
<b>Total</b>	<b>1574.11</b>	<b>1359.27</b>	<b>439.30</b>	<b>565.81</b>

**ANNEXURE 14****STATEMENT OF CASH AND CASH EQUIVALENT**

Particulars	(Rs. In Lakhs)			
	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Bank Balance	-	-	4.36	24.07
Cash on Hand	10.66	4.92	1.48	2.08
<b>Total</b>	<b>10.66</b>	<b>4.92</b>	<b>5.84</b>	<b>26.15</b>

**ANNEXURE 15****STATEMENT OF SHORT TERM LOANS**

Particulars	(Rs. In Lakhs)			
	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Other Loans and Advances	-	-	-	106.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106.33</b>

**ANNEXURE 16****STATEMENT OF OTHER CURRENT ASSETS**

Particulars	(Rs. In Lakhs)			
	As on December 31 <sup>st</sup> , 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Misc. Expense (To the extent not written off)	29.01	34.82	43.51	55.35
Other Receivable	50.36	48.77	56.89	37.51
<b>Total</b>	<b>79.38</b>	<b>83.59</b>	<b>100.42</b>	<b>92.86</b>

**ANNEXURE 17****STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>REVENUE FROM OPERATION</b>				
Sale of Products	7950.79	8775.89	6790.41	5503.91
<b>Total</b>	<b>7950.79</b>	<b>8775.89</b>	<b>6790.41</b>	<b>5503.91</b>

**ANNEXURE 18****STATEMENT OF OTHER INCOME**

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Labour Income	-	-	-	-
Other Income	-	121.42	4.35	8.79
<b>Total</b>	<b>-</b>	<b>121.42</b>	<b>4.35</b>	<b>8.79</b>

**ANNEXURE 19****STATEMENT OF PURCHASE OF STOCK-IN-TRADE**

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Purchases	6992.21	8463.44	7654.09	5113.35
Stores Spares & Materials	-	-	-	-
Other Direct Expenses	245.17	2.64	0.80	0.28
<b>Total</b>	<b>7237.38</b>	<b>8466.08</b>	<b>7654.89</b>	<b>5113.63</b>

**ANNEXURE 20****STATEMENT OF CHANGES IN INVENTORIES**

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Opening Stock	1517.18	1692.23	703.80	964.99
Closing Stock	1060.97	1517.18	1692.23	703.80
<b>Total</b>	<b>456.21</b>	<b>175.05</b>	<b>(988.43)</b>	<b>261.19</b>

**ANNEXURE 21****STATEMENT OF EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakhs)

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Salaries Expenses	20.34	38.49	20.71	17.52
Director's Remuneration	13.00	11.70	13.20	17.85
<b>Total</b>	<b>33.34</b>	<b>50.19</b>	<b>33.91</b>	<b>35.37</b>

**ANNEXURE 22****STATEMENT OF FINANCE COST****(Rs. In Lakhs)**

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Bank Charges & Interest Expenses	40.18	50.62	9.08	6.84
<b>Total</b>	<b>40.18</b>	<b>50.62</b>	<b>9.08</b>	<b>6.84</b>

**ANNEXURE 23****STATEMENT OF OTHER EXPENSES****(Rs. In Lakhs)**

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Payment to Auditors	0.10	0.40	0.40	0.40
Electricity Expenses	0.90	0.65	0.40	0.85
Insurance Expenses	3.36	1.79	1.75	0.48
Rent Expenses	5.85	7.80	4.80	6.30
Municipal Taxes	0.33	0.36	0.26	0.67
Exhibition Expenses	21.22	0.37	5.98	8.60
Office Expenses	1.74	1.60	0.15	1.49
Telephone Expenses	0.14	0.24	0.03	0.14
ROC, BSE and NSDL Expenses	8.65	4.37	3.23	3.25
Bad Debts	5.80	0.58	-	-
Loss/ Profit on Gold Rate Exchange	-	-	-	38.35
Repair & Maintenance	29.21	2.16	1.65	2.34
Other Expenses	5.56	3.50	19.13	1.48
Misc. Expenses	0.78	8.71	10.88	-
Legal & Professional Fees	1.33	0.04	1.08	0.22
Travelling Exp	3.18	-	-	-
Income Tax	22.08	-	-	-
Petrol Expenses	3.74	5.28	-	-
<b>Total</b>	<b>114.01</b>	<b>37.84</b>	<b>49.74</b>	<b>64.56</b>

**ANNEXURE 24****STATEMENT OF DIVIDEND****(Rs. In Lakhs)**

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>On Equity Shares</b>				
Fully Paid up Share Capital (Rs. In Lakhs)	1002.63	1002.63	1002.63	1002.63
Face Value (In Rs.)	10	10	10	10
Paid up value per share (In Rs.)	10	10	10	10
Rate of Dividend	-	-	-	-
Total Dividend	-	-	-	-
Corporate Dividend tax on above	-	-	-	-

**ANNEXURE 25****STATEMENT OF TAX SHELTERS****(Rs. In Lakhs)**

<b>Particulars</b>	<b>As on December 31<sup>st</sup> 2022</b>	<b>31<sup>st</sup> March, 2022</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Profit before tax as per Restated P/L	<b>44.68</b>	115.41	34.15	30
Applicable Corporate Tax Rate(%)	22%	22%	22%	25%
MAT Tax Rates (%)	-	-	-	-
<b>Adjustments</b>	-	-	-	-
<b>Permanent Differences(B)</b>				
Disallowed u/s 37	-	-	-	-
Profit/Loss on sale of Fixed Assets	-	-	-	-
Donation	-	-	-	0.01
Amount disallowed u/s 40	-	-	-	0.11
<b>Total Permanent Differences (B)</b>	-	-	-	<b>0.12</b>
<b>Income considered separately (C)</b>				
Interest Income	-	(0.38)	(4.35)	(0.73)
Capital Gain	-	--	-	(1.51)
<b>Total Income considered separately (C)</b>	-	(0.38)	(4.35)	(2.24)
<b>Timing Differences (D)</b>	-	--	--	--
Difference between tax depreciation and book depreciation	(0.1)	<b>(2.50)</b>	(1.39)	(0.82)
<b>Total Timing Differences(D)</b>	(0.1)	<b>(2.50)</b>	<b>(1.39)</b>	<b>(0.82)</b>
<b>Net Adjustments E =(B+C+D)</b>	(0.1)	<b>(2.88)</b>	<b>(5.74)</b>	<b>(3.06)</b>
Tax Expense/(Saving) thereon	-	-	-	-
<b>Income chargeable under the head CAPITAL GAIN (F)</b>				
Capital Gain	-	-	-	1.51
<b>Total Income chargeable under the head CAPITAL GAIN (F)</b>	-	-	-	1.51
<b>Income chargeable under the head OTHER SOURCES (G)</b>				
Other Income	-	0.38	4.35	0.73
<b>Total Income chargeable under the head OTHER SOURCES (G)</b>	-	0.38	4.35	0.73
<b>Deduction under Chapter VI-A (H)</b>	-	--	--	--
<b>Total Deduction under Chapter VI-A (H)</b>	-	--	--	--
Taxable Income/(Loss) (A+E+F+G+H)	44.58	112.91	32.77	29.3
<b>Taxable Income/(Loss) as per MAT</b>	NA	NA	NA	NA
<b>Income Tax as returned/computed</b>	<b>16.78</b>	<b>28.41</b>	<b>8.24</b>	<b>7.43</b>
Adjustment for Interest on income tax/others	-	0.67	.07	.45
<b>Total Current Tax Expenses</b>	<b>16.73</b>	<b>29.08</b>	<b>8.32</b>	<b>7.88</b>
Tax paid as per normal or MAT	Normal	Normal	Normal	Normal

**ANNEXURE 26****STATEMENT OF CONTINGENT LIABILITIES****(Rs. In Lakhs)**

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Claim against company not acknowledge as debts				
in respect of Income Tax	-	-	-	-
in respect of Commercial Tax	-	-	-	-
<b>Total</b>	-	-	-	-

**ANNEXURE 27****STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS****(Rs. In Lakhs)**

	Particulars	As on December, 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
<b>A</b>	<b>REVENUE ITEMS :</b>				
<b>1</b>	<b>Salary paid – Directors /KMP</b>				
A	Akshay S Mehta	9.00	7.20	7.20	8.69
B	Meet Mehta	4.00	4.50	6.00	9.15
<b>2</b>	<b>Rent paid</b>				
A	Akshay S Mehta	5.85	7.80	4.80	-
<b>B</b>	<b>NON-REVENUE ITEMS :</b>				
<b>1</b>	<b>Unsecured Loan – Taken</b>				
A	Akshay S Mehta	.006	271.85	264	-
B	Varshaben A Mehta	56.09	56.09	-	-
C	Meet P Mehta	1.86	70.86	-	-

**ANNEXURE 28****OTHER FINANCIAL INFORMATION****STATEMENT OF ACCOUNTING RATIOS****(Rs. In Lakhs)**

Particulars	As on December 31 <sup>st</sup> 2022	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Net worth (A)	1639.25	1592.49	1506.04	1481.27
Net Profit after Tax (B)	46.77	87.78	26.27	22.75
No. of Shares outstanding at the end [F.V. Rs.10] (C)	10026345	10026345	10026345	10026345
Weighted average number of shares outstanding [F.V. Rs.10] (D)	10026345	10026345	10026345	8718560

Bonus Shares (E)	-	-	-	1307785
Weighted average number of shares outstanding Post Bonus Shares [F.V. Rs.10] (F) (D+E)	10026345	10026345	5491108	10026345
Earnings per Share (EPS) (B/F) (Rs.)	0.47	0.88	0.27	0.23
Return on Net Worth (B/A) (%)	2.85%	5.51%	1.74%	1.54%
Net Assets Value per Share (A/C)	16.22	15.88	15.02	14.77

#### Definitions of key ratios:

- I. Earnings per Share (Rs.):** Net profit attributable to equity shareholders / weighted average number of equity shares. Earnings per share calculations are done in accordance with Indian Accounting Standard 33 “Earnings Per Share” as issued by The Institute of Chartered Accountants of India. As per IndAS-33, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.
- II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period
- III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period

#### ANNEXURE 29

#### CAPITALIZATION STATEMENT

Particulars	(Rs. In Lakhs)	
	Pre Issue as on December 31 <sup>st</sup> , 2022	Post Issue
<b>Borrowing</b>		
Short - Term Debt	1073.60	836.98
Long - Term Debt	-	44.51
<b>Total Debt</b>	<b>1073.60</b>	<b>881.49</b>
<b>Shareholders' Funds</b>		
<b>Share Capital</b>		
- Equity	1002.63	1503.95
Less: Calls - in – arrears	-	-
<b>Share Application money</b>	-	-
- Preference	-	-
Reserves & Surplus Including Premium	636.62	810.13
<b>Total Shareholders' Funds</b>	<b>1639.25</b>	<b>2314.08</b>
<b>Long - Term Debt / Shareholders Fund</b>	-	.019
<b>Short - Term Debt / Shareholders Fund</b>	<b>0.65</b>	<b>0.36</b>

#### Notes:

- 1) The figures disclosed above are based on the restated summary statement of assets & Liabilities of the company.
- 2) The above statement should be read with the significant accounting policies and notes to restated summary, statements of the assets & liabilities, profit and losses and cash flows appearing in annexure 01, 02, 03 and 04.
- 3) Short term debts represent which are expected to be paid/ payable within 12 months and excludes installment of term loans repayable within 12 months.
- 4) Long term Debts represent debts other than Short Term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities.

#### ANNEXURE 30

#### STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company has availed certain loans in the ordinary course of business for the purposes including, but not limited

to meeting its working capital requirements. Our Company has made an application for obtaining an NOC and has obtain the NOC from the Principal Bankers.

Unless otherwise stated, the approvals and/or sanctions are valid as of the date of this Letter of offer and incase the said approvals and/or sanctions have expired, we have either made an application for renewal or are in the process of making an application for renewal.

As on the date of filing of this Letter of offer, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Our Company utilizes various credit facilities from banks for conducting its business. Following is a summary of our Company's outstanding borrowings as on December, 2022:

<b>(Rs. In Lakhs)</b>		
<b>Category of Borrowings</b>	<b>Sanction Limit</b>	<b>Outstanding as on December 31<sup>st</sup>, 2022</b>
Secured Borrowings	1083.00	1015.65
Unsecured Borrowings from others	-	57.95
<b>Total</b>	<b>1083.00</b>	<b>1073.60</b>

#### A) Secured Loans

<b>Bank Name – ICICI BANK LIMITED</b>	
Our Company has been sanctioned <b>943 &amp; 140 (ECLGS Scheme) Lac</b> from ICICI Bank Limited vide their agreement no. BLG/AHM/P/126240 and; CAL422281458556 dated 22.09.2022 & 28.12.2021 respectively. The terms and conditions of the Loan mentioned asbelow:	
<b>Amount of Loan</b>	943 & 140 Lacs
<b>Currency</b>	(Rs in Lacs)
<b>Nature of Facility</b>	Loan against Property
<b>Rate of Interest</b>	9 % and 9.25%
<b>Tenure</b>	12 Months and 24 Months
<b>Security</b>	1. Shop No 210, 2 <sup>nd</sup> , Floor Pushpam Mall, Anandnagar Near Anand Nagar Cross Road, Ahmedabad -382405
	2. Office No 209, Second, Floor Shree Balaji, Paragon A, Nr. Tap, Circle Law Garden, Ahmedabad -382405
	3. Bungalow No.4, Pushpak Hill Bungalows, Opp.Parshwanath, Bussiness Park Nr.100 Ft Anandnagar Road, Prahladnagar, Ahmedabad-382405
<b>Penal Interest</b>	Applicable as per Credit Arrangement Letter with Bank
<b>Balance as on 31-12-2022</b>	977.23 lacs

<b>Bank Name – HDFC BANK LIMITED</b>	
Our Company has been sanctioned <b>40.04 Lac</b> from HDFC Bank Limited vide their UCIC letter dated 05.10.2022. The terms and conditions of the Loan mentioned asbelow:	
<b>Amount of Loan</b>	40.04 Lacs
<b>Currency</b>	(Rs in Lacs)
<b>Nature of Facility</b>	Vehicle Loan
<b>Rate of Interest</b>	7.9%
<b>Tenure</b>	07/10/2027
<b>Security</b>	NA
<b>Penal Interest</b>	Applicable as per Credit Arrangement Letter with Bank
<b>Balance as on 31-12-2022</b>	38.42

#### Notes:

- 1) The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the significant accounting policies and notes to restated summary, statements of assets and liabilities, profits and losses and cash flows appearing in Annexure's 01,02,03 and 04.

**Details of Unsecured Loans:**

Except as mentioned in “*Annexure 27: Statement of details of Related Party Transactions*” appearing on page 132 of this Letter of offer, the Company does not have any other type of unsecured borrowings.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Prospectus. You should also read the section entitled "Risk Factors" beginning on page 22 and "Forward Looking Statements" beginning on page 18 which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements as of and for the fiscal year ended March 31, 2022, 2021, 2020 and quarter ending on September 30, 2022 prepared in accordance with the Companies Act, 2013 to the extent applicable and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "Financial Information of the Company" on page no. 83 of this Prospectus. Please note that in terms of Schedule VI of the SEBI (ICDR) Regulations, 2018, the company is required to give the financial information for the preceding 3 financial years from the date of the Prospectus. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

*Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and the SEBI ICDR Regulations.*

### Overview of the Company

The Founder promoter of our Company Mr. Akshay Sevantilal Mehta is in the business of Gold Jewellery since 2001. He along with his wife incorporated Company at Ahmedabad as "Bhakti Gems and Jewellery Private Limited" on 30/03/2010 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. Subsequently the company was converted into a Public Limited Company vide fresh certificate of incorporation dated 18th January, 2017 and the name was changed to "Bhakti Gems and Jewellery Limited"

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 are designed by us and 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. Moreover, our ethical trade practices, transparent business dealings and timely delivery of products help us in maintaining cordial relations with our customers. Our Company strives at all times to provide products that offer our customers the designs with superior finish and quality.

Our Promoters Akshay Sevantilal Mehta and Varshaben Akshaykumar Mehta have around 22 years and 15 years of experience respectively in gems and jewellery industry and with their innovative business ideas, in-depth knowledge and excellent management skills.

For further details, see "Business Overview" on page 66.

### COVID 19 Pandemic:

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective

actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Since May 2020 many of these measures have been lifted. Due to a government mandated lockdown in India, we had to temporarily shut down our operations from mid-March 2020 to April 2020. We have resumed operations slowly from June 2020. We proactively engaged with our clients to reassure them and to demonstrate our commitment to restart our operations and to build confidence in the safety protocols deployed at our office. As a result, we have since experienced a gradual increase in business.

### **Significant Developments Subsequent to the Last Financial Year**

Except as stated in this Letter of offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2022, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The Board of Directors of our Company has, at its meeting held on April 22, 2022 approved increase in Authorised Share Capital of the Company from Rs. 10,04,00,000 to Rs. 15,04,00,000.
2. Our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on June 12, 2022, approved Rights Issue, increase in Authorised capital.
3. The Board of Directors of our Company has, at its meeting held on April 22, 2022 and the shareholders via its Extra Ordinary General Meeting held on June 12, 2022 approved the change in Auditors of the Company.
4. Mr. Shamsher Singh Adarmi was appointed as Company Secretary and Compliance Officer of the Company w.e.f. May 02, 2022.
5. Mr. Prafulkumar Jayantilal Sheth appointed as Non Executive Independent Director of the Company and Mr. Vijaykumar Bhikhabhai Patel resigned from the Position of Independent director of the Company w.e.f. 05.09.2022.
6. The Object Clause of the Memorandum of Association of our company was changed via board meeting held on September 05, 2022 and Annual General Meeting held on September 29, 2022.
7. Mr. Shamsher Singh Adarmi resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f. 30.11.2022.
8. Ms. Nikita Jain was appointed as Company Secretary and Compliance Officer of the Company w.e.f. January 07, 2023.

### **Key factors affecting our results of operation:**

The business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factor**” beginning on page no. 22 of this Letter of offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and demographic conditions;
- Fluctuations in foreign and Indian currency;
- Our ability to compete successfully with our competitors in terms of competitive pricing, quality service etc;
- Significant developments in India’s economic and fiscal policies;
- Our ability to attract and retain distributors, wholesalers;
- Our ability to meet our capital expenditure requirements;
- Our ability to expand its existing retail network;
- Our ability to purchase the material and the availability of the same at reasonable prices;
- Our ability to attract and retain its clients;
- Increasing competition in the Industry;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Our ability to obtain the necessary licenses in timely manner;
- Changes in the SEBI and RBI regulations, interest rates and tax laws in India.

## Our Significant Accounting Policies:

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under “Auditors’ Report and Financial Information of our Company” on page 120 of this Letter of offer.

## Change In Accounting Policies

Except as mentioned in chapter “Financial Information” on page 83 of this Letter of offer, there has been no change in accounting policies for the period which has been included in this Letter of offer.

## Revenue and Expenses

### Description of the major components of revenue and expense items: -

Our total revenue consists of revenue from operations and other income.

### Revenue

#### Revenue from Operations

Revenue from operations comprised revenue generated from whole sale Jewellery.

### Expenses

Operating Expenses is our largest head of expense and mainly comprised of purchase of stock in trade of 24 carat gold.

Employee Benefits Expense comprised of salary and wages to employees and staff welfare expenses.

### Other Expenses

Other expenses primarily comprises of Electricity Expense, Insurance Expense, Legal & Professional fees, commission and brokerage and travelling expenses, Exhibition Expense, printing & stationery, communication expenses, stock exchange and regulatory expenses, audit fees, rent and other miscellaneous expenses.

### Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

## DISCUSSION ON RESULTS OF OPERATIONS:

The following discussion on results of operations should be read in conjunction with the Audited financial results of our Company for the 9 months period ended December 31<sup>st</sup>, 2022 and financial years ended March 31, 2022, 2021 and 2020.

### Our Results of Operation

## REVIEW OF THE FINANCIAL PERFORMANCE FOR YTD ENDED DECEMBER, 2022 AND DECEMBER 2021

Particulars	As on Dec. 31, 2022	% Total Income	As on Dec. 31, 2021	% Total Income
<b>I. Revenue From Operation</b>				
Sales	7950.79	100 %	5762.47	98.70 %
II. Other Income	-	-	75.40	1.29 %
<b>III. Total Revenue (I+II)</b>	<b>7950.79</b>	<b>100 %</b>	<b>5837.87</b>	<b>100.00 %</b>
<b>IV. Expenses</b>				
Cost of Materials Consumed	-	-	-	-
Purchase of Stock-in-Trade	7237.38	91.03 %	5931.43	101.60%

Particulars	As on Dec. 31, 2022	% Total Income	As on Dec. 31, 2021	% Total Income
Changes in Inventories of Stock-in-Trade	456.20	5.74%	(211.02)	3.61 %
Employee Benefits Expenses	33.34	0.42 %	30.21	0.51%
Other Expenses	114.01	1.43 %	25.11	0.43 %
Finance Cost	40.18	0.51 %	20.44	0.35%
Depreciation and Amortization Expenses	0.83	0.01 %	-	-
<b>Total Expenses</b>	<b>7881.94</b>	<b>99.13 %</b>	<b>5796.17</b>	<b>99.28 %</b>
<b>V. Profit Before Tax And Extraordinary item (III-IV)</b>	<b>68.84</b>	<b>0.87 %</b>	<b>41.70</b>	<b>0.90 %</b>
VI. Extraordinary items	-	-	-	
<b>VII. Profit Before Tax</b>	<b>68.84</b>	<b>0.87 %</b>	<b>41.70</b>	<b>0.71%</b>
<b>VIII. Tax expenses</b>				
<b>1. Current taxes</b>	22.08	0.28 %	2.00	<b>0.03 %</b>
<b>2. Tax adjustments for earlier years</b>	-		-	
<b>3. MAT Credit Entitlements</b>	-		-	
<b>4. Deferred tax</b>	-	-	-	-
<b>Profit after tax and before extraordinary items available for appropriation</b>	<b>46.76</b>	<b>0.59 %</b>	<b>39.70</b>	<b>0.68 %</b>
<b>Proposed Dividend</b>	-		-	
<b>Dividend distribution tax</b>	-		-	
<b>Net profit carried to Balance sheet</b>	<b>46.76</b>	<b>0.59 %</b>	<b>39.70</b>	<b>0.68 %</b>

## **REVIEW OF THE FINANCIAL PERFORMANCE FOR THE YTD ENDED ON DECEMBER 2022**

### **Revenue from Operations**

Our revenue from operations for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 7950.79 Lakhs as a proportion of our total income, it was 100%

Revenue – Other Income

Other income for the YTD ended December 31<sup>st</sup>, 2022 was Nil.

### **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 7840.94 Lakhs as a proportion of our total income, it was 98.61%. Total expenditure comprises of:-

### **Purchase of Stock in Trade**

The Purchase of stock in trade for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 7237.38 Lakhs as a proportion of our total income, it was 91.02%.

### **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 456.20 Lakhs as a proportion of our total income, it was 5.74%.

### **Employee benefit expenses**

Employee benefit expense for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 33.34 Lakhs as a proportion of our total income, it was 0.42%.

### **Other expenses**

Other expenses for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 114.01 Lakhs as a proportion of our total income, it was 1.43%.

### **Finance cost**

Finance cost for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 40.18 Lakhs as a proportion of our total income, it was 0.51%.

### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 0.83 Lakhs as a proportion of our total income, it was 0.01%.

### **Profit/ (Loss) After Tax**

The Company's PAT for the YTD ended December 31<sup>st</sup>, 2022 was ₹ 46.76 as a proportion of our total income, it was 0.59%.

## **REVIEW OF THE FINANCIAL PERFORMANCE FOR HALF YEAR ENDED ON DECEMBER, 2021**

### **Revenue from Operations**

Our revenue from operations for the YTD ended December 31<sup>st</sup>, 2021 was ₹ 3027.71 Lakhs as a proportion of our total income, it was 98.81%

#### Revenue – Other Income

Other income for the YTD ended December 31<sup>st</sup>, 2021 was ₹ 75.40 Lakhs as a proportion of our total income, it was 1.29%.

### **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the YTD ended December 31<sup>st</sup>, 2021 was ₹ 5775.73 Lakhs as a proportion of our total income, it was 98.94%. Total expenditure comprises of:-

#### **Cost of Materials Consumed**

The Cost of Materials Consumed for the YTD ended December 31<sup>st</sup>, 2022 was Nil as a proportion of our total income, it was Nil.

#### **Purchase of Stock in Trade**

The Purchase of stock in trade for the YTD ended December 31<sup>st</sup> 2021 was ₹ 5931.43 Lakhs as a proportion of our total income, it was 101.60%.

#### **Changes in Inventories of Stock-in-Trade**

The changes in inventories of stock-in-trade for the YTD ended December 31<sup>st</sup> 2021 was ₹ (211.02) Lakhs as a proportion of our total income, it was 3.61%.

#### **Employee benefit expenses**

Employee benefit expense for YTD ended December 31<sup>st</sup>, 2022 was Rs. 33.34 L.

#### **Other expenses**

Other expenses for the YTD ended December 31<sup>st</sup> 2021 was ₹30.21 Lakhs as a proportion of our total income, it was 0.52%.

### **Finance cost**

Finance cost for the YTD ended December 31<sup>st</sup> 2021 was Rs. 20.44 Lakhs as a proportion of our total income, it was 0.35%.

**Depreciation and Amortization Expense**

Depreciation and amortization expense for the YTD ended December 31<sup>st</sup>, 2021 was R s . N i l .

**Profit/ (Loss) After Tax**

The Company's PAT for the YTD ended December 31<sup>st</sup>, 2021 was ₹ 39.70 Lakhs as a proportion of our total income, it was 0.68%.

## COMPARISON OF FINANCIAL YEARS MARCH 31, 2022, 2021, 2020

The following table sets forth select financial data from restated financial statement, the components of which are also expressed as a percentage of total income for such periods.

(Rs. In Lakhs)

Particulars	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income
<b>I. Revenue From Operation</b>						
Sales	8775.89	98.64 %	6790.41	99.94 %	5503.91	99.84 %
II. Other Income	121.42	1.36 %	4.35	0.06 %	8.79	0.16 %
<b>III. Total Revenue (I+II)</b>	<b>8897.31</b>	<b>100 %</b>	<b>6794.76</b>	<b>100.00 %</b>	<b>5512.70</b>	<b>100.00 %</b>
<b>IV. Expenses</b>						
Purchase of Stock-in-Trade	8,466.08	96.40 %	7,654.89	113.23 %	5,113.63	93.27%
Changes in Inventories of Stock-in-Trade	175.05	1.99 %	(988.43)	(14.62) %	261.19	4.76 %
Employee Benefits Expenses	50.19	0.57 %	33.91	0.50 %	35.36	0.64 %
Other Expenses	37.83	0.43 %	49.73	0.73 %	64.56	1.17 %
Finance Cost	50.62	0.58 %	9.08	0.13 %	6.84	0.12 %
Depreciation and Amortization Expenses	2.14	0.02 %	1.41	0.02 %	1.12	0.02 %
<b>Total Expenses</b>	<b>8781.91</b>	<b>99.99 %</b>	<b>6760.61</b>	<b>99.49 %</b>	<b>5482.73</b>	<b>99.98 %</b>
<b>V. Profit Before Tax And Extraordinary item (III-IV)</b>	<b>115.41</b>	<b>1.30 %</b>	<b>34.16</b>	<b>0.51 %</b>	<b>30.00</b>	<b>0.54 %</b>
VI. Extraordinary items	-		-			
<b>VII. Profit Before Tax</b>	<b>115.41</b>	<b>1.30 %</b>	<b>34.16</b>	<b>0.51 %</b>	<b>30.00</b>	<b>0.54 %</b>
<b>VIII. Tax expenses</b>						
1. Current taxes	27.00	0.30 %	7.00	0.10 %	7.00	0.13 %
2. Tax adjustments for earlier years	-		-			
3. MAT Credit Entitlements	-		-			
4. Deferred tax	0.63	0.07 %	0.89	0.01 %	0.25	0.005
<b>Profit after tax and before extraordinary items available for appropriation</b>	<b>87.78</b>	<b>0.99 %</b>	<b>26.27</b>	<b>0.39 %</b>	<b>22.75</b>	<b>0.41 %</b>
Proposed Dividend	-		-			
Dividend distribution tax	-		-			
<b>Net profit carried to Balance sheet</b>	<b>87.78</b>	<b>0.99 %</b>	<b>26.27</b>	<b>0.39 %</b>	<b>22.75</b>	<b>0.41 %</b>

## COMPARISON OF FY 2022 WITH FY 2021

### Revenue from Operations

Our revenue from operations for the Fiscal 2022 was ₹ 8775.89 Lakhs as compared to ₹ 6790.41 Lakhs for the Fiscal 2021, representing an increase of 29.24%.

### Revenue – Other Income

Other income for the Fiscal 2022 was ₹ 121.42 Lakhs as compared to ₹ 4.35 Lakhs for the Fiscal 2021.

## **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the Fiscal 2022 was ₹ 8729.12 Lakhs as compared to ₹ 6750.12 Lakhs for the Fiscal 2021, representing an increase of 29.32%. Total expenditure comprises of:-

### **Purchase of Stock in Trade**

The Purchase of stock in trade for the Fiscal 2022 was ₹ 8466.08 Lakhs as compared to ₹ 7654.89 Lakhs for the Fiscal 2021, representing an increase of 10.60%. This decrease was due to reduction of sales.

### **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the Fiscal 2022 were ₹ 175.05 Lakhs as compared to ₹ (988.43) Lakhs for the Fiscal 2021.

### **Employee benefit expenses**

Employee benefit expense for the Fiscal 2022 was ₹ 50.19 Lakhs as compared to ₹ 33.91 Lakhs for the Fiscal 2021, representing an increase of 48.00%.

### **Other expenses**

Other expenses for the Fiscal 2022 were ₹ 37.83 Lakhs as compared to ₹ 49.73 Lakhs for the Fiscal 2021, representing a decrease of 23.93 %.

### **Finance cost**

Finance cost for the Fiscal 2022 was ₹ 50.62 lakhs as compared to ₹ 9.08 Lakhs for the Fiscal 2021, representing an increase of 457.49%. Increase in Finance Cost was due to increase in interest expense.

### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the Fiscal 2022 was ₹ 2.14 Lakhs as compared to ₹ 1.41 Lakhs for the Fiscal 2021, representing an increase of 51.77 %.

### **Profit/ (Loss) After Tax**

The Company's PAT for Fiscal 2022 was ₹ 87.78 Lakhs as compared to profit of ₹ 26.27 Lakhs for the Fiscal 2021. Representing an increase of 234.14%.

## **COMPARISON OF FY 2021 WITH FY 2020**

### **Revenue from Operations**

Our revenue from operations for the Fiscal 2021 was ₹ 6790.41 Lakhs as compared to ₹ 5503.91 Lakhs for the Fiscal 2020, representing an increase of 23.38%.

### **Revenue – Other Income**

Other income for the Fiscal 2021 was ₹ 4.35 Lakhs as compared to ₹ 8.79 for the Fiscal 2020.

## **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the Fiscal 2021 was ₹ 6,750.12 Lakhs as compared to ₹ 5,474.77 Lakhs for the Fiscal 2020, representing an increase of 18.89% Total expenditure comprises of:-

### **Purchase of Stock in Trade**

Purchase of stock in trade for the Fiscal 2021 was ₹ 7654.89 Lakhs as compared to ₹ 5113.63 Lakhs for the Fiscal 2020, representing an increase of 49.70%.

### **Changes in Inventories of Stock-in-Trade**

The changes in inventories of stock-in-trade for the Fiscal 2021 were (₹ 988.43) Lakhs as compared to ₹ 261.19 Lakhs for the Fiscal 2020.

### **Employee benefit expenses**

Employee benefit expense for the Fiscal 2021 was ₹ 33.91 Lakhs as compared to ₹ 35.36 Lakhs for the Fiscal 2020, representing decrease of 4.10%.

### **Other expenses**

Other expenses for the Fiscal 2021 were ₹ 49.73 Lakhs as compared to ₹ 64.56 Lakhs for the Fiscal 2020, representing decrease of 22.97%.

### **Finance cost**

Finance cost for the Fiscal 2021 was ₹ 9.08 lakhs as compared to ₹ 6.84 Lakhs for the Fiscal 2020, representing an increase of 32.75%. Increase in Finance Cost was due to increase in interest expense.

### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the Fiscal 2021 was ₹ 1.41 Lakhs as compared to ₹ 1.12 Lakhs for the Fiscal 2020, representing an increase of 25.89%.

### **Profit/ (Loss) After Tax**

The Company's PAT for Fiscal 2021 was ₹ 26.67 Lakhs as compared to profit of ₹ 22.75 Lakhs for the Fiscal 2020, Representing an increase of 17.23%.

## **COMPARISON OF FY 2020 WITH FY 2019**

### **Revenue from Operations**

Our revenue from operations for the Fiscal 2020 was ₹ 5503.91 Lakhs as compared to ₹ 6228.47 Lakhs for the Fiscal 2019, representing a decrease of 11.63%.

### **Revenue – Other Income**

Other income for the Fiscal 2020 was ₹ 8.79 Lakhs as compared to ₹ 9.17 for the Fiscal 2019.

### **Expenses**

Our total expenditure other than finance cost, depreciation and amortization expense for the Fiscal 2020 was ₹ 5,474.77 Lakhs as compared to ₹ 6167.91 Lakhs for the Fiscal 2019, representing a decrease of 11.24 Total expenditure comprises of:-

### **Purchase of Stock in Trade**

Purchase of stock in trade for the Fiscal 2020 was ₹ 5113.63 Lakhs as compared to ₹ 6524.07 Lakhs for the Fiscal 2019, representing a decrease of 21.62%.

### **Changes in Inventories of Stock-in-Trade**

The changes in inventories of stock-in-trade for the Fiscal 2020 were ₹ 261.19 Lakhs as compared to (₹ 401.78) Lakhs for the Fiscal 2019, representing an increase of 165%.

### **Employee benefit expenses**

Employee benefit expense for the Fiscal 2020 was ₹ 35.36 Lakhs as compared to ₹ 33.14 Lakhs for the Fiscal 2019, representing an increase of 6.28%.

### **Other expenses**

Other expenses for the Fiscal 2020 were ₹ 64.59 Lakhs as compared to ₹ 59.87 Lakhs for the Fiscal 2019, representing an increase of 7.88%.

### **Finance cost**

Finance cost for the Fiscal 2020 was ₹ 6.84 lakhs as compared to ₹ 12.49 Lakhs for the Fiscal 2019, representing a decrease of 45.24%.

### **Depreciation and Amortization Expense**

Depreciation and amortization expense for the Fiscal 2020 was ₹ 1.12 Lakhs as compared to ₹ 0.99 Lakhs for the Fiscal 2019, representing an increase of 13.13%.

### **Profit/ (Loss) After Tax**

The Company's PAT for Fiscal 2020 was ₹ 22.75 Lakhs as compared to profit of ₹ 6.62 Lakhs for the Fiscal 2019, Representing an increase of 243.66%.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or which we believe reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources.

### **Details of Default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues or repayment of debentures or repayment of deposits or repayment of loans from any bank or financial institution**

There have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company for YTD ending on December 2022, Financial Year 2022, 2021 and 2020.

### **Material Frauds**

There are no material frauds, as reported by our statutory auditor, committed against our Company, during the last three financial years.

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

#### ***Interest rate risk***

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates as well as fixed rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

### ***Liquidity risk***

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash and collateral requirements. We employ prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

### ***Credit Risk***

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables.

We consider our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

### **An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

#### ***1. Unusual or infrequent events or transactions***

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

#### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 22 there are no significant economic changes that may materially affect or likely to affect income from continuing operations.

#### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section "Risk Factors" beginning on page 22, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### ***4. Future changes in relationship between costs and revenues***

Our Company's future costs and revenues will be determined by demand/supply situation, both of the end services provided by us as well as the prices of our service suppliers, cost of employees, government policies and budget constraints of our customer(s).

#### ***5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Increases in revenues shall by and large be linked to increases in volume of business.

#### ***6. Status of any publicly announced New Products or Business Segment***

Except as disclosed elsewhere in this Letter of offer, we have not announced and do not expect to announce in the near future any new products or business segments.

#### ***7. Total Turnover of Each Major Industry Segment in Which the Issuer Operates***

Our Company currently operates as whole sale trading of jewellery. Details of the industry turnover and other relevant information is disclosed in the section "Industry Overview" beginning on page 54

#### ***8. Seasonality of business***

Our Company's business is seasonal in nature.

**9. Any Major Dependence on a single or few suppliers or customers**

Other than as described in this Letter of offer, particularly in sections “*Risk Factors*” on page 22 to our knowledge, there is no significant dependence on a single or few customers or suppliers.

**10. Competitive conditions:**

Competitive conditions are as described under the chapters “*Industry Overview*” and “*Our Business*” beginning on pages 54 and 66 respectively.

## SECTION VI- LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND DEFAULTS

*Our Company, Promoters, its Group companies are subject to various legal proceedings from time to time primarily arising in the ordinary course of their business.*

*Further other than as disclosed in this section, there are no outstanding litigation involving our Company and/or our Promoters and/or Group companies with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Promoters and/or Group companies, (ii) material violations of statutory regulations by our Company and/or our Promoters and/or Group companies, (iii) economic offences where proceedings have been initiated against our Company and/or our Promoters and/or Group companies, (iv) any pending matters, which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Promoters and/or Group companies, and (v) tax matters.*

*For the purpose of material litigation in (viii) above, our Board has considered and adopted the following policy on materiality for identification of material outstanding litigations to be disclosed by our Company in the Letter of offer:*

- a) All criminal proceedings, taxation matters, disciplinary actions and actions by statutory or regulatory authorities, involving our Company, Promoters, Directors, or Group Companies, as the case may be has been considered as material;*
- b) All pending litigation (other than those covered in (a) above) involving our Company, Promoters, Directors, or Group Companies as the case may be, has been considered 'material' where (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 10.00 Lakhs or 10.00% of the net profits after tax of the Company for the most recent audited fiscal period, whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;*
- c) All pending litigations involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company has been considered as material;*
- d) Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, has not been evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoters and/or our Directors and/ or Group Companies, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors and/ or Group Companies, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

*Pre-litigation notices received by our Company and/or our Promoters and/or Group companies from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not be evaluated for materiality until such time our Company and/or our Promoters and/or Group companies are impleaded as defendants in litigation proceedings before any judicial forum.*

*Unless otherwise stated, all proceedings are pending as of the date of this Letter of offer. All information provided below is as of the date of this Letter of offer.*

#### **(A) Litigations Relating to Our Company**

- Labour Cases filed against the Company : NIL
- Labour Cases filed by the Company : NIL
- Civil Cases filed against the Company : NIL

- Civil Cases filed by the Company : NIL
- Criminal cases against the Company : NIL
- Criminal cases filed by the Company : NIL
- Notices served on the Company : NIL
- Tax related matters : NIL

**(B) Litigation Relating to the Promoters of Our Company**

- a) Criminal Case against our Promoters : NIL
- b) Civil Cases Against Our Promoters : NIL
- c) Criminal Cases Filed By Our Promoters : NIL
- d) Civil Case Filed By Our Promoters : NIL
- e) Cases Relating To Tax Matters : NIL
- f) Notices served on the Promoter : NIL

**(C) Litigations Relating to the Directors of Our Company**

- a) Criminal case against our Directors : NIL
- b) Civil Cases Against Our Directors : NIL
- c) Criminal Cases Filed By Our Directors : NIL
- d) Civil Case Filed By Our Directors : NIL
- e) Cases Relating To Tax Matters : NIL
- f) Notices served on the Directors : NIL

**(D) Relating to Our Promoter Group and Group Companies/ Entities**

- a) Criminal case against our Promoter Group and Group Companies/ Entities : NIL
- b) Civil Cases Against Our Promoter Group and Group Companies/ Entities : NIL
- c) Criminal Cases Filed by Our Promoter Group and Group Companies/ Entities : NIL
- d) Civil Case Filed by Our Promoter Group and Group Companies/ Entities : NIL
- e) Cases Relating to Tax Matters : NIL
- f) Notices served on the Our Promoter Group and Group Companies/ Entities

**TAX PROCEEDINGS**

There are no tax proceedings involving our Company, our Promoters, our Group Companies, or our Directors.

**LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS, OUR GROUP COMPANIES, OUR SUBSIDIARIES AND OUR DIRECTORS**

There are no legal notices received by Our Company, Our Promoters, Our Group Companies, and Our Directors as on the date of filing this Letter of offer.

**MATERIAL VIOLATIONS OF THE STATUTORY REGULATIONS BY OUR COMPANY**

There are no material violations of the statutory regulations by our Company as on the date of this Letter of offer.

## **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

## **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

- **AGAINST THE PROMOTERS**
- **AGAINST THE COMPANY**

## **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY RBI IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION**

- **AGAINST THE PROMOTERS**
- **AGAINST THE COMPANY**

As on the date of the Letter of offer, except as stated above, there have been no disciplinary action including penalty imposed by SEBI or RBI or Stock Exchanges against our Company and Promoters in the last five financial years including outstanding action.

## **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the Letter of offer, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

## **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies, and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

## **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

## **NON-PAYMENT OF STATUTORY DUES**

As on the date of the Letter of offer there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

## **OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March, 2022 as Micro, Small or Medium Enterprises. Consequently, the amount paid / payable to these parties during the year is Rs.44,92,045 Further, there is no small- scale undertaking or any other creditor to whom the Company owes a sum exceeding Rs. 1 lakh which is outstanding for more than thirty (30) days.

## **MATERIAL DEVELOPMENT SINCE DECEMBER 31<sup>ST</sup>, 2022**

There have not arisen, since the date of the last financial statements disclosed in this Letter of offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "Material Development" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on page 152 and 136, respectively of this Letter of offer.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has obtained the necessary consents, licenses, registrations, permissions and approvals from the applicable government agencies and other statutory and/ or regulatory authorities required to carry on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

In addition, as on the date of the Letter of offer, there are no pending regulatory and government approvals and no pending renewals of licenses or approvals in relation to the activities presently undertaken by us or in relation to the Issue.

- I. Material approvals for which applications have been made by our Company, but are currently pending grant: NIL**
- II. Material approvals for which renewal applications have been made by our Company:**
  - Our Company had obtained LEI Registration dated December 14, 2021 issued by Legal Entity Identifier India Limited which was valid for a period of 1 year from the date of issuance. However, our company has renewed the LEI Registration for a further period of 1 year on dated December 13, 2022 which is valid upto December 14<sup>th</sup>, 2023.
- III. Material approvals which have expired and for which renewal applications are yet to be made by our Company: NIL**
- IV. Material approvals required for which no application has been made by our Company: NIL**

## **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this Letter of offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

For further details, please refer to the chapter titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 136 of this Letter of offer.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorized by a resolution of the Board passed at its meeting held on April 22, 2022. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed at the extraordinary general meeting held on June 12, 2022

The Committee of Directors of our Company has, at its meeting held on April 22, 2022, determined the Issue Price as Rs. 12 per Rights Equity Share (including a premium of Rs. 2 per Rights Equity Share) and the Rights Entitlement as 1 Rights Equity Shares for every 2 Equity Shares held on the Record Date.

This Letter of offer has been approved by our Board pursuant to their resolutions dated April 22, 2022.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letters dated 21<sup>st</sup> April, 2023 issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Our Company has been allotted the ISIN INE986W20016 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN 'INE986W20016' both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see "Terms of the Issue" on page 161.

### **Prohibition by SEBI and other Governmental Authorities**

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company and the persons in control of our Corporate Promoters have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of offer.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Letter of offer.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

### **Directors associated with the Securities Market**

None of our Directors are, in any manner, associated with the securities market.

### **Prohibition by RBI**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

### **Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018**

As on the date of this Letter of offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("SBO Rules"), to the extent applicable.

## **Eligibility for the Issue**

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited (BSE- Designated Stock Exchange). Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI ICDR Regulations and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

## **Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Our Company has made application to the Stock Exchange and has received their in-principal approvals for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE is the Designated Stock Exchange for the purpose of the Issue.

## **Disclaimer Clause of SEBI**

The Draft Letter of offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is 601.58 lakhs which is less than Rs. 5000.00 lakhs however the Letter of Offer will be filed with the SEBI for the information and dissemination on the Board's website.

## **Disclaimer from our Company, our Director(s)**

Our Company accept no responsibility for statements made otherwise than in this Letter of offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

## **Cautions**

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Letter of offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of offer. You must not rely on any unauthorized information or representations. This Letter of offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of offer is current only as at its date.

## **Disclaimer with respect to the jurisdiction**

This Letter of offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Gujarat, India only.

## **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

## **Listing**

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent

to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

### **Disclaimer Clause of the BSE**

As required, a copy of this Letter of offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of offer is set out below:

“BSE Limited (“the **Exchange**”) has given, vide its letter dated **21<sup>st</sup> April, 2023** permission to this Company to use the Exchange’s name in this Letter of offer as the stock exchanges on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of offer; or
- (ii) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- (iii) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

### **Selling Restrictions**

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other issue material (collectively, “Issue Materials”) and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send / dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of offer was filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only

and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of this Letter of offer nor any sale/ offer of the Rights Equity Shares and/ or the Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of offer or the date of such information.

**THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

#### **NO OFFER IN THE UNITED STATES**

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "UNITED STATES" OR "U.S."), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE US SECURITIES ACT ("REGULATION S") TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of offer, the Letter of

Offer. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company is not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "US SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Letter of offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **NOTICE TO INVESTORS**

**NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.**

### **Consents**

Consents in writing of our Directors, Legal Advisor, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of offer.

Our Company has received written consent dated February 11, 2023 from our Statutory Auditor, for inclusion of their report, dated February 11, 2023 on the Financial Information in this Letter of offer and to include their name in this Letter of offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to

the Statement of Tax Benefits dated February 11, 2023 in the form and context in which it appears in this Letter of offer. Such consent has not been withdrawn up to the date of this Letter of offer.

### **Filing**

This Letter of offer is being filed with the BSE as per the provisions of the SEBI ICDR Regulations. SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which, the threshold of filing of Letter of offer with SEBI for rights issues has been increased to Rupees Fifty Crores. Since the size of this Issue falls below this threshold, the Letter of offer has been filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchanges.

### **Stock Market Data of the Equity Shares**

Our Equity Shares are listed and traded on BSE.

### **Expert Opinion**

Our Company has received written consent dated February 11, 2023 from our Statutory Auditor to include their name as required under the SEBI ICDR Regulations in this Letter of offer, and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors and in respect of their (i) examination report dated May 31, 2022 on our Restated Financial Statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and December 31, 2022; ii) Limited review report dated February 04, 2023 for quarter ending December 31<sup>st</sup>, 2022 and (iii) their report dated February 11, 2023 on the Statement of special tax benefits available to the Company and its shareholders under the applicable tax laws in India in this Letter of offer and such consent has not been withdrawn as on the date of this Letter of offer. However, the term 'expert' shall not be construed to mean an "expert" as defined under the U.S. Securities Act. Except as stated above, our Company has not obtained any expert opinions.

### **Performance vis-à-vis objects – Public/Rights Issue of our Company**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

### **Particulars in regard to our company and other listed companies under the same management within the meaning of section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

There are no listed companies under the same management within the meaning of Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years. Our Company issued the bonus share in the FY 2019-2020.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Letter of offer.

### **Changes in the Auditors during the last three Financial Years**

There has been change in the Auditors of the Company during the last three years as follows:

<b>From</b>	<b>To</b>	<b>Name of Auditors</b>	<b>Date of Appointment</b>
2018	2021	M/s. Parth Shah And Associates	16-08-2018; BOD
2021	2022	M/s. Bhagat & Co.	15-04-2022; BOD
2022	2027	M/s. Bhagat & Co.	29-09-2022; AGM

## Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. Skyline Financial Services Pvt. Ltd, is our Registrar and Share Transfer Agent to the Issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 days from the date of receipt of the complaint.

**Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), For details on the ASBA process, please see “Terms of the Issue” on page 161.**

### Investor Grievances arising out of this Issue:

Investors may contact the Registrar to the Issue at:

<b>Name</b>	: <b>SKYLINE FINANCIAL SERVICES PRIVATE LIMITED</b>
<b>Address</b>	: A/506 Dattani Plaza, Andheri Kurla Road, Safed Pool, Mumbai – 400 072
<b>Tel No.</b>	: 9920722410
<b>Toll Free No.</b>	: 1800-120-2077
<b>Email Id</b>	: subhashdhingreja@skylinerta.com
<b>Investor grievance e-mail</b>	: grievances@skylinerta.com
<b>Contact Person</b>	: Mr. Subhash Dhingreja
<b>Website</b>	: <a href="http://www.skylinerta.com">www.skylinerta.com</a>
<b>SEBI Registration No.</b>	: INR000003241

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre Issue/ post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

**Ms. Nikita Jain** is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

<b>Name</b>	: <b>MS. NIKITA JAIN</b>
<b>Address</b>	: E502, Mayfair Meridian cooperative housing society LTD., Plot no. A-2, Ceasar road, Amboli, Off. S. V road, Andheri(w), Mumbai - 400058.
<b>Tel No.</b>	: +91 079 26421701/02/03
<b>Email Id</b>	: <a href="mailto:compliancebhakti@gmail.com">compliancebhakti@gmail.com</a>
<b>Website</b>	: <a href="http://www.bhaktijewellery.com">www.bhaktijewellery.com</a>

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at [www.skylinerta.com](http://www.skylinerta.com) Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are ([subhashdhingreja@skylinerta.com](mailto:subhashdhingreja@skylinerta.com) / +91 9920722410).

**Minimum Subscription**

The objects of the Issue are meeting the Working Capital Requirements and General Corporate Purpose, and do not involve financing of capital expenditure for a project.

Further, our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations.

Accordingly, in terms of Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

## SECTION VII – ISSUE RELATED INFORMATION TERMS OF THE ISSUE

*This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.*

*Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page 166.*

*This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.*

### I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e- mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at ; [www.bhaktijewellery.com](http://www.bhaktijewellery.com)
- (ii) the Registrar at [www.skylinerta.com](http://www.skylinerta.com); and
- (iii) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.bhaktijewellery.com](http://www.bhaktijewellery.com)).

**Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of offer, the Abridged Letter of Offer, the Rights**

**Entitlement Letter and the Application Form or delay in the receipt of this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.**

The distribution of this Letter of offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issuer related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

## **II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Eligible Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Eligible Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see 'Making of an Application through the ASBA Process' beginning on page 163 of this Letter of offer.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounces, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” below.

#### • Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

#### **Making of an Application through the ASBA process**

Eligible Shareholders, wishing to participate in this Issue through the ASBA facility, are required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other

SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Shareholders may apply for the Issue Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders while applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

***Do's for Shareholders applying through ASBA:***

- a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

***Don'ts for Shareholders applying through ASBA:***

- (a) Do not apply if you are not eligible to participate in the Issue under securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a designated Branch of the SCSB or *vice versa*.
- (c) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non- receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- i. Name of our Company, being Bhakti Gems And Jewellery Limited;
- ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
- iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
- v. Number of Equity Shares held as on Record Date;
- vi. Allotment option – only dematerialised form;
- vii. Number of Equity Shares entitled to;
- viii. Number of Equity Shares applied for within the Rights Entitlements;
- ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- x. Total number of Equity Shares applied for;
- xi. Total amount paid at the rate of ₹ 12 per Equity Share;
- xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:  
*“I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulations, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.*

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at [www.skylinerta.com](http://www.skylinerta.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

### **Acceptance of this Issue**

Eligible Equity Shareholders may accept this Issue and apply for the Issue Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected. Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section '*Making of an Application by Eligible Equity Shareholders on plain paper under ASBA Process*' on page 165.

#### **• Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

c) The remaining procedure for Application shall be same as set out in “- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

### **Application for Additional Equity Shares**

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” mentioned below.

### **Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.**

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

#### *Additional general instructions for Shareholders in relation to making of an application*

- a. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” mentioned above.
- d. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain

Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

**The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**

- h. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q. Do not pay the Application Money in cash, by money order, pay order or postal order.
- r. Do not submit multiple Applications.

- s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

- **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demands.
- (o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically

transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

- **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- **Procedure for Applications by certain categories of Shareholders Procedure for Applications by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

#### **Procedure for Applications by AIFs, FVCIs, VCFs and FDI route**

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

#### **Procedure for Applications by NRIs**

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Shareholders**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Last date for Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is, 20<sup>th</sup> June, 2023 *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “- *Basis of Allotment*” mentioned on page 181.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Issue Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

- **CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

- **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, [www.bhaktijewellery.com](http://www.bhaktijewellery.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE986W20016. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* [www.skylinerta.com](http://www.skylinerta.com)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send this the Letter of Offer and the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

This the Letter of Offer the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for

the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Issue Shares under the laws of any jurisdiction which apply to such person.

### **Credit of Rights Entitlements in Dematerialised account**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

### **III. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT**

#### **• Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

#### **• Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

#### **Payment Schedule of Issue Equity Shares**

Rs. 12 per Issue Share (including premium of Rs. 2 per Issue Share) shall be payable on Application.

**Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.**

#### **(a) On Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE986W20016 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from **09<sup>th</sup> June, 2023** to **15<sup>th</sup> June, 2023** (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE986W20016 and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

**(b) Off Market Renunciation**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE986W20016, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

**IV. MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

**Mode of payment for Resident Shareholders**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

## **Mode of payment for Non-Resident Shareholders**

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

### **• Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 2 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 1 Equity Shares or is not in the multiple of 1 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 2 Equity Shares, such Equity Shareholder will be entitled to 1 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than two Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

### **• Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing

Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

- **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number **LOD/RIGHT/CP/FIP/47/2023-24**. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540545) under the ISIN: INE986W01016. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within seven days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “*Capital Structure - Intention and extent of participation by our Promoter*” mentioned above.

- **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

## **VII. GENERAL TERMS OF THE ISSUE**

- **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Issue Shares in dematerialised mode is one Equity Share.

- **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 Equity Shares and hence, no arrangements for disposal of odd lots are required.

- **Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation, where our Registered Office is situated.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

- **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [www.skylinerta.com](http://www.skylinerta.com). It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non- Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at [www.skylinerta.com](http://www.skylinerta.com)

#### **ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM**

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.**

#### **VIII. ISSUE SCHEDULE:**

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	<b>Monday, 05<sup>th</sup> June, 2023</b>
ISSUE OPENING DATE	<b>Friday, 09<sup>th</sup> June, 2023</b>
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	<b>Thursday, 15<sup>th</sup> June, 2023</b>
ISSUE CLOSING DATE*	<b>Tuesday, 20<sup>th</sup> June, 2023</b>
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	<b>Friday, 23<sup>rd</sup> June, 2023</b>
DATE OF ALLOTMENT (ON OR ABOUT)	<b>Friday, 23<sup>rd</sup> June, 2023</b>
DATE OF CREDIT (ON OR ABOUT)	<b>Monday, 26<sup>th</sup> June, 2023</b>
DATE OF LISTING (ON OR ABOUT)	<b>Tuesday, 27<sup>th</sup> June, 2023</b>

*# Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

*\*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, **Friday, 16<sup>th</sup> June, 2023** to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.* **19<sup>th</sup> June, 2023**.

The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

## **IX. BASIS OF ALLOTMENT**

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

## **X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS**

Our Company will issue/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity

Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the issue closing date. In case of failure to do so, our Company and our Directors who are officers in default shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the ASBA facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalization of Basis of allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

#### **Separate ISIN for Rights Equity Shares**

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares. **Credit and Transfer of the Rights Equity Shares in case of the Eligible Equity Shareholders holding the Equity Shares in physical form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner**

In case of allotment to the Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

- a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- b. Within 6 months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;
- c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- d. In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such

proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;

- e. Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updating the details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares; After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges;
- f. If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law; and
- g. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

**Notes:**

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold the Equity Shares in physical form as on at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

**XI. PAYMENT OF REFUND**

• **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

**Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

## **XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES**

### **• Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form.

**SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

- Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
- The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/with IEPF authority/ in suspense, *etc.*). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
- Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

### **XIII. IMPERSONATION**

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 Lakhs or with both.

### **XIV. UTILISATION OF ISSUE PROCEEDS**

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **XV. UNDERTAKINGS BY OUR COMPANY**

Our Company undertakes the following:

- i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vi. Adequate arrangements shall be made to collect all ASBA Applications.

- vii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- ix. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

## **XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS**

- 1) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
- 2) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Bhakti Gems and Jewellery Limited – Rights Issue**” on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

<b>Name</b>	: Skyline Financial Services Private Limited.
<b>Address</b>	: A/506 Dattani Plaza, Andheri Kurla Road, Safed Pool, Mumbai – 400 072.
<b>Tel No.</b>	: +91 9920722410
<b>Toll Free No.</b>	: 18001202077
<b>Email Id</b>	: subhashdhingreja@skylinerta.com
<b>Investor grievance e-mail</b>	: grievances@skylinerta.com
<b>Contact Person</b>	: Mr. Subhash Dhingreja
<b>Website</b>	: <a href="http://www.skylinerta.com">www.skylinerta.com</a>
<b>SEBI Registration No.</b>	: INR000003241

- 3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar [www.skylinerta.com](http://www.skylinerta.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22-28511022/62215779
- 4) The Shareholders can visit [www.skylinerta.com](http://www.skylinerta.com) for the below-mentioned purposes also:
  - i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.
  - ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company.
  - iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.
  - iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the “Department of Industrial Policy and Promotion”) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

*The above information is given for the benefit of the Applicants / Investors. Our Company are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## SECTION VIII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Letter of offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these documents for inspection referred to hereunder, will be made available at our Registered Office between 11:00 a.m. to 5:00 p.m. on all working days from the date of this Letter of offer until the Issue Closing Date.

#### A. Material Contracts for the Issue

1. Registrar Agreement dated **09<sup>th</sup> February, 2023** between our Company and the Registrar to the Issue.
2. Bankers to the Issue Agreement dated **10<sup>th</sup> May, 2023** among our Company the Registrar to the Issue and the Bankers to the Issue.
3. Tripartite Agreement between our Company, NSDL and the Registrar to the Company.
4. Tripartite Agreement between our Company, CDSL and Registrar to the Company.

#### B. Material Documents in Relation to the Issue

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation dated March 30, 2010 under the name of “Bhakti Gems And Jewellery Private Limited” was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli.
3. Fresh Certificate of Incorporation dated January 18, 2017 under the name of “Bhakti Gems And Jewellery Limited” was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli upon name change of the company.
4. Copy of the Board Resolution dated April 22, 2022 approving the Rights Issue.
5. Copy of Resolution of the Extra Ordinary General Meeting dated June 12, 2022 approving the Rights Issue.
6. Copy of the Resolutions of our Board dated May 11<sup>th</sup>, 2023 approving and adopting the Letter of offer.
7. Copy of the Resolution of our Committee of Directors dated May 11<sup>th</sup>, 2023, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
8. Bhakti Gems And Jewellery Limited Prospectus dated May 08, 2017.
9. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Letter of offer to act in their respective capacities.
10. Copy of audited reports for the 5 years.
11. Copy of the Limited Review Report for period ended December 2022.
12. Peer Review/ Independent Auditor`s Report of quarter ending on December 31<sup>st</sup>, 2022 and the financial years ending March 31, 2022, issued by M/s Bhagat & Co., Chartered Accountants, of our Company and Independent Auditor`s Report for the financial years ending March 31, 2021 and 2020 issued by M/s. Parth Shah & Associates, Chartered Accountants, of the Company.
13. Statement of Tax Benefits dated February 11, 2023 issued by M/s Bhagat & Co., Chartered Accountants, Chartered Accountants, Independent Peer Review Certified Auditor to the Company and Shareholders.
14. In-principal approval issued by the BSE dated 21<sup>st</sup> April, 2023.

Any of the contracts or documents mentioned in this Letter of offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of offer are true and correct.

**Name of the Directors**

**Signature**

**Mr. Akshay Sevantilal Mehta**  
**Managing Director**  
**DIN No.: 02986761**

S/d \_\_\_\_\_

**Mr. Meet Prafulchandra Mehta**  
**Whole-Time Director**  
**DIN No.:07542183**

S//d \_\_\_\_\_

**Mrs. Varshaben A Mehta**  
**Non-Executive Director**  
**DIN No.: 02988112**

S/d \_\_\_\_\_

**Mr. Vaibhav N Shah**  
**Independent Director**  
**DIN No.: 09406867**

S/d \_\_\_\_\_

**Mr. Prafulkumar J Sheth**  
**Independent Director**  
**DIN No.: 09726936**

S/d \_\_\_\_\_

**Place: Ahmedabad**  
**Date: May 11<sup>th</sup>, 2023**

<b>APPLICATION FORM FOR ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY AND RENOUNCES ONLY USING ASBA FACILITY</b>		<b>NOT INTENDED FOR ELIGIBLE EQUITY SHAREHOLDERS IN THE UNITED STATES AND CERTAIN OTHER JURISDICTIONS</b>	
Application No.	<b>BHAKTI GEMS AND JEWELLERY LTD</b> <b>CIN: L65990GJ1988PLC010570</b> <b>Registered Office:</b> FF/02, 413/1 Kalp Bhakti House, Nr Narayan Society, B/h Axis Bank, C G Road, Ahmedabad, Gujarat-380009; <b>Tel:</b> 91 79-26421701; <b>Website:</b> <a href="http://www.bhaktijewellery.com">www.bhaktijewellery.com</a> ; <b>E-mail:</b> <a href="mailto:compliancebhakti@gmail.com">compliancebhakti@gmail.com</a> <b>Contact Person:</b> Mr. Akshay Sevantilal Mehta, Managing Director	<b>ISSUE OPENS ON</b>	Friday, June 09 <sup>th</sup> , 2023
		<b>LAST DATE FOR ON MARKET RENUNCIATION*</b>	Thursday, June 15 <sup>th</sup> , 2023
<b>Collecting SCSB's Sign and Seal</b>		<b>ISSUE CLOSES ON#</b>	Tuesday, June 20 <sup>th</sup> , 2023
<p><i>*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.</i></p> <p><i># Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.</i></p>			
<p><b>Please read the letter of offer dated May 11<sup>th</sup> 2023 ("Letter of Offer" or "LOF"), the Abridged Letter of Offer, the Rights Entitlement Letter and instructions on the reverse of this Application Form carefully.</b></p> <p><b>All capitalised terms not defined herein shall carry the same meaning as ascribed to them in the Letter of Offer.</b></p> <p><b>DO NOT TEAR OR DETACH ANY PART OF THIS APPLICATION FORM.</b></p> <p><b>THIS DOCUMENT IS NOT NEGOTIABLE.</b></p>			
<p><b>ISSUE OF UP TO 50,13,173 (FIFTY LAKH THIRTEEN THOUSAND ONE HUNDRED SEVENTY THREE ) EQUITY SHARES WITH A FACE VALUE OF ₹10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹12/- (RUPEES TWELVE ONLY) EACH INCLUDING A SHARE PREMIUM OF ₹2/- (RUPEES TWO ONLY) PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹6,01,58,076 (SIX CRORE ONE LAKH FIFTY EIGHT THOUSAND SEVENTY SIX ONLY) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 (ONE) RIGHTS EQUITY SHARES FOR EVERY 2 (TWO) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON WEDNESDAY 31<sup>ST</sup> MAY, 2023 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 1.2 TIMES THE FACE VALUE OF THE EQUITY SHARES.</b></p>			
<b>PAYMENT METHOD FOR THE ISSUE</b>			
<b>AMOUNT PAYABLE PER RIGHT SHARE</b>		<b>FACE VALUE</b>	<b>PREMIUM</b>
On Application		10	2
<b>Total</b>		<b>10</b>	<b>2</b>
<p><i>The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Shares referred to in this letter of offer are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. To Existing Shareholders Located In Jurisdictions Where Such Offer And Sale Of The Rights Equity Shares And/ Or Rights Entitlements Are Permitted Under Laws Of Such Jurisdictions. The Offering to Which The Letter Of Offer Relates Is Not, And Under No Circumstances Is To Be Construed As, An Offering Of Any Rights Equity Shares Or Rights Entitlements For Sale In The United States Or As A Solicitation Therein Of An Offer To Buy Or Transfer Any Of The Said Securities. Accordingly, You Should Not Forward or Transmit The Letter Of Offer In Or Into The United States At Any Time.</i></p>			

Date: \_\_\_\_\_, 2023

To,

**The Board of Directors,  
BHAKTI GEMS AND JEWELLERY LTD.**

Dear Sir/ Madam,

- I/We hereby accept and apply for Allotment of the Equity Shares (including additional Equity Shares, if applicable) mentioned in Block I below in response to the Abridged Letter of Offer/Letter of Offer dated May 11<sup>th</sup>, 2023 and any addenda thereto offering the Equity Shares to me/us on rights basis.
- I/We agree to pay the amount specified in Block II below at the rate of Rs. 12/- (Including Rs.2/- Premium) per Equity Share payable on Application on the total number of Equity Shares specified in Block I below.
- I/We agree to accept the Equity Shares Allotted to me/us and to hold such Equity Shares upon the terms and conditions of the Abridged Letter of Offer, Letter of Offer, this Application Form, Rights Entitlement Letter and subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SEBI Rights Issue Circulars as applicable and the rules made thereunder and the Memorandum and Articles of Association of the Company.
- I/We undertake that I/we will sign all such other documents and do all other such acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Equity Shares in respect of which this application may be accepted.
- I/We also agree to accept the Equity Shares subject to laws, as applicable, guidelines, circulars, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI / Government of India / RBI and/or other authorities.
- I/We hereby solemnly declare that I am/we are not applying for the Equity Shares in contravention of section 269SS of the Income-Tax Act, 1961.
- I/We authorise you to place my/our name(s) on the register of shareholders/register of beneficial owners of the Company.
- The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the "United States" or "U.S."), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Shares referred to in this letter of offer are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.
- I/We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
- I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Issue Related Information" on page 161 of the Letter of Offer.
- I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.



## GENERAL INSTRUCTIONS

- a) Please read the instructions carefully before filling this Application Form.
- b) Please read the Letter of Offer and any addendum thereto carefully to understand the Application process and applicable settlement process. All references in this Application Form to the “**Abridged Letter of Offer**” are to the Abridged Letter of Offer read together with the Letter of Offer and any addenda thereto. For accessing the Letter of Offer, the Abridged Letter of Offer and the Application Form, please refer below links provided on page 4 of this Application Form.
- c) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- d) **In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Terms of the Issue - Process of Making an application in the Issue - Making of an Application through the ASBA process” on page 163 of the Letter of Offer.**
- e) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- f) Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. For further details, see “**TERMS OF THE ISSUE - PROCESS OF MAKING AN APPLICATION IN THE ISSUE**” beginning on page 162 of the Letter of Offer.
- g) An Investor wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application and is required to provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form. Please note that only those Investors who have a demat account can apply through ASBA facility.
- h) The Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and this Application Form are liable to be rejected. **This Application Form must be filled in English only.**
- i) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “**Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**” on page 165 of the Letter of Offer. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.
- j) An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.
- k) Applications should not be submitted to the Banker to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Managers.
- l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income Tax Act, 1961 irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- m) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. **Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application.** In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- n) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company / Registrar / depositories.
- o) Physical shareholders who have converted their shares from physical to demat mode and received rights entitlement in their demat account will have to mention their demat account number in ASBA application which can be submitted to any of the SCSBs where they have the bank account.
- p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of this Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- q) All communication in connection with Applications for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant and folio numbers/ DP ID and Client ID. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant or to our Company or the Registrar.
- r) Please note that Applications through ASBA may be submitted at all designated branches of the SCSBs available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, updated from time to time, or at such other website as may be prescribed by SEBI from time to time. In addition, Applicants should consult with the relevant SCSB to ensure that there is no statutory / regulatory action restricting the Application being submitted through them.
- s) Applicants are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- t) The Applicants shall submit only one Application Form in respect of the same Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.
- u) Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.
- v) Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue and such approval should be submitted to Registrar to the Issue so that the same is received on or prior to the Issue Closing Date.
- w) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.
- x) Only the Investors holding Equity Shares in demat form or the Physical Shareholders who furnish the details of their demat accounts to the Registrar not later than two Working Days prior to the Issue Closing Date, are eligible to participate through the ASBA process. In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to apply in this Rights Issue.
- y) Our Company, in consultation with the Lead Managers reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares and/or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Equity Shares and/or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue and have obtained requisite approvals before applying in this Issue; or (iii) where either a registered Indian address is not provided or our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares and/or the Rights Entitlements in respect of any such Application Form.
- z) **PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE “TERMS OF THE ISSUE - PROCESS OF MAKING AN APPLICATION IN THE ISSUE” ON PAGE 162 OF THE LETTER OF OFFER**
- aa) In place of Application number, Investors can mention the reference number as provided in the e-mail received from Registrar informing about their Rights Entitlement or the reference number of Rights Entitlement Letter or last eight digits of their demat account. For plain application form, application number will be 8 digit client code of the applicant.
- bb) **Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

**LAST DATE FOR APPLICATION**

The last date for submission of the duly filled in the Application Form or a plain paper Application is TUESDAY, JUNE 20<sup>TH</sup>, 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under the section, "Terms of the Issue - Basis of Allotment" on page 181 of the Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

**WITHDRAWAL OF APPLICATION**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending email withdrawal request to [mumbai@skylinerta.com](mailto:mumbai@skylinerta.com). However, no Investor may withdraw their Application post the Issue Closing Date.

**LIST OF SELF CERTIFIED SYNDICATE BANKS (SCSBs)**

The list of banks who have registered with SEBI to act as SCSBs for the ASBA Process is <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

For this Issue, following banks would be acting as SCSB: 1. Allahabad Bank 2. Andhra Bank 3. Axis Bank Ltd 4. Bank of Baroda.5. Bank of India 6. Bank of Maharashtra 7. Barclays Bank PLC 8. BNP Paribas 9. Canara Bank 10. CSB Bank 11. Central Bank of India 11. CITI Bank 13. City Union Bank Ltd. 14. Corporation Bank 15. DBS Bank Ltd. 16. Dena Bank 17. Deutsche Bank 18. Dhanlaxmi Bank Limited 19. HDFC Bank Ltd. 20. HSBC Ltd. 21. ICICI Bank Ltd 22. IDBI Bank Ltd. 23. Indian Bank 24. Indian Overseas Bank 25. IndusInd Bank 26. J P Morgan Chase Bank, N.A. 27. Janata Sahakari Bank Ltd. 28. Karnataka Bank Ltd. 29. Karur Vysya Bank Ltd. 30. Kotak Mahindra Bank Ltd. 31. Mehsana Urban Co-operative Bank Limited 32. Nutan Nagarik Sahakari Bank Ltd. 33. Oriental Bank of Commerce 34. Punjab & Sind Bank 35. Punjab National Bank 36. Rajkot Nagarik Sahakari Bank Ltd 37. RBL Bank Limited 38. South Indian Bank 39. Standard Chartered Bank 40. State Bank of India 41. SVC Co-operative Bank Ltd. 42. Syndicate Bank 43. Tamilnad Mercantile Bank Ltd. 44. The Ahmedabad Mercantile Co-Op. Bank Ltd. 45. The Federal Bank 46. The Jammu & Kashmir Bank Limited. 47. The Kalapur Commercial Cooperative Bank Ltd. 48. The Lakshmi Vilas Bank Ltd. 49. The Saraswat Co-Operative Bank Ltd 50. The Surat Peoples Co-op Bank Ltd 51. TJSB Sahakari Bank Ltd 52. UCO Bank 53. Union Bank of India 54. United Bank of India 55. Vijaya Bank 56. YES Bank Ltd 57. DCB Bank 58. Bandhan Bank. 59. GP Parsik Sahakari Bank Limited 60. AU Small Finance Bank 61. IDFC First Bank 62. Equitas Small Finance Bank.

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) our Company at [www.bhaktijewellery.com](http://www.bhaktijewellery.com);
- (ii) the Registrar at [www.skylinerta.com](http://www.skylinerta.com); and
- (iii) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com)

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.skylinerta.com](http://www.skylinerta.com)) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.bhaktijewellery.com](http://www.bhaktijewellery.com)).

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [www.skylinerta.com](http://www.skylinerta.com)
  - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: [www.skylinerta.com](http://www.skylinerta.com)
  - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: [www.skylinerta.com](http://www.skylinerta.com)
- Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: [mumbai@skylinerta.com](mailto:mumbai@skylinerta.com)

**REGISTRAR TO THE ISSUE****Skyline Financial Services Pvt. Ltd.**

A/506 Dattani Plaza, Andheri Kurla Road, Safed Pool,  
Mumbai, Maharashtra, 400072

**Tel No** 22- 28511022/62215779,

**E-mail:** [mumbai@skylinerta.com](mailto:mumbai@skylinerta.com)

**Investor Grievance Email:** [grievances@skylinerta.com](mailto:grievances@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

**Contact Person:** Mr. Subhash Dhingreja

**Tel No:** 9920722410

**SEBI Registration No.:** INR000003241

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).