



## NOTICE

**NOTICE** is hereby given that the 7<sup>TH</sup> Annual General Meeting of the Members of BHAKTI GEMS & JEWELLERY LIMITED will be held on Saturday, 30<sup>th</sup> September, 2017 at the registered office of the company at 209, SHREE BALAJI PARAGON, B/S ROCK REGENCY HOTEL, OPP. AXIS BANK, NR. CIRCLE - P, C.G.ROAD, AHMEDABAD-380009 at 11.00 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2017 and Statement of Profit & Loss for together with Cash Flow Statement and Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2017 and Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Varshaben Akshay Mehta who retires by rotation and being eligible, offers her for re-appointment.
3. To ratify the appointment of M/s Dhaval Padiya & Co. the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force M/s. Dhaval Padiya & Co, Chartered Accountants, as the statutory Auditors of the company, to hold office till the conclusion of AGM, Be and hereby confirmed at such remuneration as shall be fixed by the Board of Directors of the Company.

**By order of Board of Directors**

**Date: 01/09/2017**  
**Place: Ahmedabad**

**Sd/-**  
**Akshay S Mehta**  
**Managing Director**

**NOTES:**

1. The relevant Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.

**The Register Of Members And Share Transfer Books Of The Company Will Remain Closed From 27<sup>th</sup> September, 2017 To 29<sup>th</sup> September, 2017 (Both Days Inclusive) For The Purpose Of Annual General Meeting.**

2. A statement giving the relevant details of the Directors seeking re-appointment under Item of the accompanying Notice.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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

4. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
5. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
7. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the



Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

- 8.** Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- 9.** In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 10.** No amount of dividend is remaining unpaid in the dividend account, for the transferred.
- 11.** Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
- 12.** The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the Registrar and Transfer Agent of the Company.
- 13.** The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- 14.** Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company.



15. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to Depository Participant(s). Members holding shares in physical form should submit their PAN details to the Company.
17. Members holding shares in single name and in physical form are advised to make a Nomination in respect of their shareholding in the Company.

**By order of Board of Directors**

**Date: 01/09/2017**

**Place: Ahmedabad**

**Sd/-**

**Akshay S Mehta**

**Managing Director**

**REGISTERD OFFICE:**

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



## DIRECTOR'S REPORT

**Dear Members,**

Your Directors have pleasure in presenting their 7<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

### 1. FINANCIAL RESULTS

The Financial performance of the company for the year ended 31<sup>st</sup> March, 2017 is summarized as follows:

Particular	Year Ended On 31 <sup>st</sup> March, 2017	Year Ended On 31 <sup>st</sup> March, 2016
Income	22,90,55,374	19,29,60,426
Less: Expenditure	(22, 65,53,836)	(19,27,91,314)
Profit/(Loss) Before Depreciation And Taxes	25,01,538	1,69,112
Less: Depreciation	(52,363)	(46,558)
Net Profit/(Loss) Before Tax	24,49,175	1,22,554
Less: Provision For Tax	(7,30,000)	-
Deffered Tax	(3,196)	-
Profit/(Loss) After Tax	17,15,979	1,22,554

### 2. FINANCIAL HIGHLIGHTS

Standalone Revenues: During the fiscal 2017, the gross operational profit of the Company stood at Rs. 24,49,175

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

No change of business occurs during the year under review.

### 4. DIVIDEND

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



## 5. CONVERSION OF THE COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED

The members of the company at the extra-ordinary general meeting held on 30<sup>th</sup> December, 2016 passed a special resolution for conversion of the Company from private limited company to public limited company. Subsequently, the Registrar of Companies, Ahmedabad, Gujarat issued a fresh certificate of incorporation dated 18<sup>th</sup> January, 2017 certifying the conversion of Company into public limited company and that the name of the Company was changed from Bhakti Gems And Jewellery Private Limited to Bhakti Gems And Jewellery Limited.

## 6. LISTING ON BSE SME PLATFORM

The Equity Shares of the Company were listed and admitted to dealings on the Small and Medium Enterprise Platform of BSE Limited with effect from 30th May, 2017.

## 7. RESERVES

The amounts, as on ended of financial year, Reserves are Rs, 1,56,90,660/-

## 8. SHARE CAPITAL

During the year under review, the company has issued and allotted Equity Shares as given below.

Sr No.	Date of Allotment	Nature of Allotment	No. of Equity Shares Allotted	Issue Price (in Rs)
1	30.01.2017	Conversion of Unsecured loan into equity shares	4,57,200	40/-
2	11.02.2017	Conversion of Unsecured loan into equity shares	1,25,000	40/-
3	21.02.2017	Bonus Share	34,32,600	Nil
4	24.02.2017	Conversion of Unsecured loan into equity shares	2,00,000	40/-
5	17.03.2017	Conversion of Unsecured loan into equity shares	75,000	40/-
6	25.05.2017	Initial Public offer	19,62,000	20/-



## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 149 of the Act, Mr. Manoharbai B Chunara, Mr. Vijaykumar B Patel and Mr. Milan Chandrakant Dave were appointed as independent directors of the Company. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

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

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

### • RETIREMENT BY ROTATION

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

## 10. MEETINGS

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

## 11. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of



its own performance, the directors individually as well as the evaluation of the working of its Various Committees.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as required under the provisions of Section 134(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review. Further during the





year under review, the Company has neither earned nor used any foreign exchange.

#### 14. DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

##### A. AUDIT COMMITTEE:

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

##### ➤ Composition:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Manoharbai B Chunara	Non-Executive & Independent Director	Chairman	1	1
Milan C Dave	Non-Executive & Independent Director	Member	1	1
Vijaykumar B Patel	Non-Executive & Independent Director	Member	1	1

##### ➤ Terms of reference:

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

- Reviewing of the Company's financial reporting process and the disclosure of its financial information
- To ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties



- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

#### B. NOMINATION AND REMMUNERATION COMMITTEE:

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

The Nomination and Remuneration Committee was constituted by Board on March 20, 2017.

##### ➤ Composition:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Manoharbai B Chunara	Non-Executive & Independent Director	Chairman	1	1
Milan C Dave	Non-Executive & Independent Director	Member	1	1
Vijaykumar B Patel	Non-Executive & Independent Director	Member	1	1

##### ➤ Terms of reference:

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

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;



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

### C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

#### ➤ **Composition:**

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Manoharbai B Chunara	Non-Executive & Independent Director	Chairman	1	1
Milan C Dave	Non-Executive & Independent Director	Member	1	1
Vijaykumar B Patel	Non-Executive & Independent Director	Member	1	1

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

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2017 are NIL.

#### ➤ **Compliance Officer:**

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



## **15. COMPANY'S POLICY RELATING TO PAYMENT OF REMUNERATION TO DIRECTORS:**

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

The Remuneration policy of the Company is as under:

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

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

### **❖ Remuneration to Executive Directors:**

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

## **16. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

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

## **17. AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting and therefore it is proposed to ratify the appointment of M/s



Dhaval Padiya and Co., Chartered Accountants, as the Statutory Auditors of the Company.

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

**18. AUDITORS' REPORT**

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

**19. DISCLOSURE ABOUT COST AUDIT**

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

**20. INTERNAL AUDIT & CONTROLS**

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

**21. VIGIL MECHANISM**

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

**22. RISK MANAGEMENT POLICY**

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

**23. EXTRACT OF ANNUAL RETURN**

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

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

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

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

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

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

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

**27. DEPOSITS**

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

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



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

**29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 and Listing Obligation Disclosure Regulation (LODR), 2015 during the financial year ended March 31, 2017 are given below. Suitable disclosures as required under AS 18 have been made in the Financial Statement. It means there is no related party transaction.

**30. PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 197 of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request .However as per the provisions of Section 136 of the said Act, the Annual Report Excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any, member interested in obtaining the information on employee's particulars, which is available for inspection by the members at the registered office of the Company during Business hours on working days of the Company up to the date of ensuing Annual General Meeting, may write to the Company at the registered office of the Company in advance.

**31. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

**32. LISTING**

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

**33. PARTICULARS REGARDING EMPLOYEES:**

During the year under report, none of the employees was in receipt of remuneration exceeding the limit prescribed under Section 197(12) of the



Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

**34. HUMAN RESOURCES**

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

**35. CORPORATE GOVERNANCE**

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

**36. INSIDER TRADING REGULATIONS**

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





**37. ACKNOWLEDGEMENTS**

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

**BY ORDER OF BOARD OF DIRECTORS**

**REGISTERED OFFICE:**

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

**SD/-**

**AKSHAY S MEHTA**

**AUTHORIZED PERSON**

**DATE: 01/09/2017**

**PLACE: AHMEDABAD**



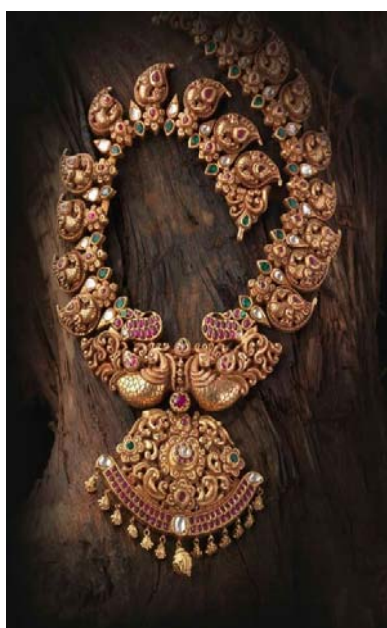
## MANAGEMENT DISCUSSION & ANALYSIS REPORT

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



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

### ABOUT THE BHAKTI GEMS AND JEWELLERY LIMITED



#### Business Overview:

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



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

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

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

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



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

### **RISKS AND CONCERNS:**

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



## SWOT ANALYSIS

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



## Independent Auditor's Report

To  
The Members of Bhakti Gems and Jewellery Limited.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Bhakti Gems and Jewellery Limited.** ('the Company'), which comprise the balance sheet as at **31 March 2017**, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

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



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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we have given in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) In our opinion with respect to internal financial control, the said Para is applicable to Company and & hereby attached as **Annexure - B**



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which are required to be transferred to the investor education and protection fund by the company.

**For, Dhaval Padiya and Co.  
Chartered Accountants**

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

**Date: 22/08/2017  
Place: Ahmedabad**





**“Annexure - A “to” the Auditors’ Report**

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are not held in the name of the Company. As the company has, taken immovable property on rent from the directors.
- (ii) The Company is regular in maintaining physical inventory in accordance with paragraph 3(ii) of the Order applicable to the Company.
- (iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the book of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (viii) The Company has not taken loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.





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

**For, Dhaval Padiya and Co.  
Chartered Accountants**

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



## **ANNEXURE B TO THE AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of **Bhakti Gems and Jewellery Limited** ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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



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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Dhaval Padiya  
( Proprietor )  
Membership.No. 146291  
FRN. 146291W**

**Place:- Ahmedabad  
Date: 22/08/2017**

# Bhakti Gems and Jewellers Limited

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

Particulars	Note No.	2017	2016
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	48,518,000	5,620,000
(b) Reserves and Surplus	2	15,690,660	22,584,660
(c) Money received against share warrants		-	-
<b><u>(2) Share Application money pending allotment</u></b>			
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings	3	-	16,284,993
(b) Deferred Tax Liabilities (Net)		3,196	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	4	6,992,835	4,346,570
(c) Other Current Liabilities	5	411,621	178,719
(d) Short-Term Provisions	6	755,000	58,817
<b>Total Equity &amp; Liabilities</b>		<b>72,371,312</b>	<b>49,073,759</b>
<b>II. ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Property, Plant and Equipment	7	749,652	690,913
(ii) Immovable Property		-	-
(iii) Capital Work in Progress		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	8	15,847,961	-
(e) Other non-current assets	9	935,441	110,455
<b><u>(2) Current Assets</u></b>			
(a) Current investments		-	-
(b) Inventories		34,689,735	30,412,101
(c) Trade receivables	10	18,115,986	16,133,498
(d) Cash and cash equivalents	11	1,845,328	1,685,400
(e) Short-term loans and advances	12	47,000	41,392
(f) Other current assets	13	140,209	-
<b>Total Assets</b>		<b>72,371,312</b>	<b>49,073,759</b>

**NOTES TO ACCOUNTS**

21

*NOTes referred to above and notes attached there to form an integral part of Balance Sheet*

*This is the Balance Sheet referred to in our Report of even date.*

**FOR , DHAVAL PADIYA AND CO.**

**BHAKTI GEMS AND JEWELLERY LIMITED**

**CHARTERED ACCOUNTANTS**

(DIRECTOR)

(DIRECTOR)

**DHAVAL PADIYA**

**(Proprietor)**

**M No. : 146291**

**FRN No. 140653W**

**PLACE: AHMEDABAD**

**DATE : 22/08/2017**

# Bhakti Gems and Jewellers Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016
	Rs.	Rs.
<b>A. Cash Flow from Operating Activity</b>		
Profit before Taxation and Extra Ordinary Items	2,449,175	122,554
Add : Non Cash & Non Operating Expenses		
Depreciation	52,363	46,558
Interest Expenses	639,296	245,019
Preliminary Expenses Write Off	240,864	110,455
Operating Profit before Working Capital Changes	3,381,698	524,586
Adjustment for;		
(Increase)/Decrease in Trade and Other Receivables		-
(Increase) / Decrease in Inventory	(4,277,634)	1,991,417
(Increase) / Decrease in Debtors	(1,982,488)	12,705,953
Increase/(Decrease) in Trade Payables	2,646,265	3,239,777
Increase/( Decrease) in Loans & Advances	(15,853,569)	134,145
Increase / (Decrease) in Current Assets	25,904,396	-
Increase / (Decrease) in Current Liabilities & Provisions	(1,075,763)	45,473
Cash Generated from Operation	8,742,906	6,991,465
Taxes Paid	-	-
Net Cash Flow from Operating Activities	8,742,906	6,991,465
<b>B. Cash Flow from Investing Activity</b>		
(Increase) / Decrease in Fixed Assets (net)	(111,102)	232,916
(Increase) / Decrease in Investments & Accrued Interest	-	-
Net Cash Flow from Investing Activities	(111,102)	232,916
<b>C. Cash Flow from Financing Activity</b>		
Proceeds from Issue of Shares	34,326,000	15,599,995
Proceeds from Securities Premium	(8,609,979)	
Increase / (Decrease) in Short term Borrowings		-
Increase / (Decrease) in Long term Borrowings	(16,284,993)	6,466,149
Interest Expenses	(639,296)	(245,019)
Net Cash Flow from Financing Activities	8,791,732	8,888,827
Net Increase / (Decrease) in Cash & Cash Equivalents	159,929	1,664,446
Opening Balance of Cash & Cash Equivalents	1,685,400	20,954
Closing Balance of Cash & Cash Equivalents	1,845,328	1,685,400
Net Increase / (Decrease) in Cash & Cash Equivalents	159,928	1,664,446

**NOTES :**

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

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

**FOR , DHAVAL PADIYA AND CO.**

**CHARTERED ACCOUNTANTS**

**BHAKTI GEMS AND JEWELLERY LIMITED**

(DIRECTOR)      (DIRECTOR)

**DHAVAL PADIYA**

**(Proprietor)**

**M No. : 146291**

**FRN No. 140653W**

**PLACE: AHMEDABAD**

**DATE : 22/08/2017**

# Bhakti Gems and Jewellers Limited

*Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2017*

**Note : 1 Share Capital**

Sr. No	Particulars	2017	2016
1	<b>AUTHORIZED CAPITAL</b> 6,00,000 Equity Shares of ` 10/- each. 65,00,000 Equity Shares of ` 10/- each.	- 65,00,000	6,00,000
		65,00,000	6,00,000
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> <i>To the Subscribers of the Memorandum</i> 5,62,000 Equity Shares of ` 10/- each, Fully paid up 48,51,800 Equity Shares of ` 10/- each, Fully paid up	- 48,51,800	5,62,000 -
	<b>Total in `</b>	<b>48,51,800</b>	<b>5,62,000</b>

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

Sr. No	SHARE HOLDER'S NAME	2017	2016
1	Akshay Sevantilal Mehta	4,152,100 86.00%	55,000 10.00%
2	Pioneer Mercantile Ltd	-	262,000 47.00%
3	Akshay Mehta C/O Bhakti Ornaments	-	240,000 43%
4	Pinal R Shah	500,000 10.00%	

**Note : 2 Reserve & Surplus**

Sr. No	Particulars	2017	2016
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Securities Premium reserve	13,852,127	-
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	General Reserve	-	22,080,000
8	Surplus (Profit & Loss Account)	1,838,533	504,660
	Balance brought forward from previous year	122,554	382,106
	Less: Tax of Ealier years	-	-
	Less: Transfer to Profit and Loss A/c	-	-
	Add: Profit for the period	1,715,979	122,554
	<b>Total in `</b>	<b>15,690,660</b>	<b>22,584,660</b>

# Bhakti Gems and Jewellers Limited

Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2017

**Note : 3 Long Term Borrowings**

Sr. No	Particulars	2017	2016
1	<b>Term Loans</b> - From Bank	-	-
2	<b>From Others</b> Secured Unsecured Loan from Directors	- - -	- - 16,284,993
<b>Total in `</b>		<b>-</b>	<b>16,284,993</b>

**Note : 4 Trades Payable**

Sr. No	Particulars	2017	2016
	<b><u>Trade Paybles ( List attached)</u></b>	6,992,835	4,346,570
<b>Total in `</b>		<b>6,992,835</b>	<b>4,346,570</b>

**Note : 5 Other Current Liabilities**

Sr. No	Particulars	2017	2016
1	<b>Statutory Remittances</b> EXCISE VAT TDS	- 140,866 33,867 236,888	- - 58,817 -
<b>Total in `</b>		<b>411,621</b>	<b>58,817</b>

**Note : 6 Short Term Provisions**

Sr. No	Particulars	2017	2016
1	<b>Short Term Provisions</b> Audit Fees Income tax Provisions	- 25,000 730,000	178,719 - -
<b>Total in `</b>		<b>755,000</b>	<b>178,719</b>

# Bhakti Gems and Jewellers Limited

*Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2017*

**Note : 7 Fixed Asset**

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2017	WDV as on 31.03.2016
(i)	<b>Property, Plant and Equipment</b>										
	software	72,621	-	-	72,621	4,502	11,042	-	15,544	57,077	68,119
	computer	98,500	-	-	98,500	55,505	6,969	-	62,474	36,026	42,995
	air conditioner	289,250	-	-	289,250	43,335	11,680	-	55,015	234,235	245,915
	furniture	114,500	-	-	114,500	1,813	5,353	-	7,166	107,334	112,687
	bar code system	125,135	-	-	125,135	12,024	5,372	-	17,396	107,739	113,111
	office equipment	57,101	3,045	-	60,146	8,711	2,443	-	11,154	48,992	48,390
	mobile	19,952	9,600	-	29,552	5,123	1,160	-	6,283	23,269	14,829
	camera	45,800	-	-	45,800	933	2,131	-	3,064	42,736	44,867
	cctv camera	-	81,857	-	81,857	-	3,889	-	3,889	77,968	-
	weighing scale	-	3,200	-	3,200	-	152	-	152	3,048	-
	printer	-	13,400	-	13,400	-	2,172	-	2,172	11,228	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>822,859</b>	<b>111,102</b>	<b>-</b>	<b>933,961</b>	<b>131,946</b>	<b>52,363</b>	<b>-</b>	<b>184,309</b>	<b>749,652</b>	<b>690,913</b>



# Bhakti Gems and Jewellers Limited

*Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2017*

**Note : 8 Long Term Loans and Advances**

Sr. No	Particulars	2017	2016
a)	<b>From Banks</b>		
	FD With YES Bank	13,500,000	-
b)	<b>From Others</b>		
	Bhakti ornaments loan A/c	1,450,000	-
	Gujarat Gold Jewellery Show	542,961	-
	Rakshit M Shah	355,000	-
	<b>Total in `</b>	<b>15,847,961</b>	<b>-</b>

**Note : 9 Other Non Current Assets**

Sr. No	Particulars	2017	2016
1	<u>Misc Exp</u> ( To the extent not written off )	935,441	110,455
	<b>Total in `</b>	<b>935,441</b>	<b>110,455</b>

**Note : 10 Trade Recievables**

Sr. No	Particulars	2017	2016
1	<b><u>Outstanding for Less than six months</u></b>		
	a) <u>Unsecured, Considered Good :</u>	10,077,020	16,133,498
2	<b><u>Outstanding for more than six months</u></b>		
	a) <u>Unsecured, Considered Good :</u>	8,038,965	-
	<b>Total in `</b>	<b>18,115,985</b>	<b>16,133,498</b>

# Bhakti Gems and Jewellers Limited

*Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2017*

**Note : 11 Cash & Cash Equivalent**

Sr. No	Particulars	2017	2016
1	<u>Cash-in-Hand</u> Cash Balance	129,281	11,430
	<b>Sub Total (A)</b>	<b>129,281</b>	<b>11,430</b>
2	<u>Bank Balance</u> YES Bank	1,716,047	1,673,970
	<b>Sub Total (B)</b>	<b>1,716,047</b>	<b>1,673,970</b>
	<b>Total [ A + B ]</b>	<b>1,845,328</b>	<b>1,685,400</b>

**Note :12 Short Terms Loans and Advances**

Sr. No	Particulars	2017	2016
1	Loans & Advances From Directors	47,000	41,392
	<b>Total in `</b>	<b>47,000</b>	<b>41,392</b>

**Note : 13 Other Current Assets**

Sr. No	Particulars	2017	2016
1	TDS Receivable	99,329	-
2	Prepaid Expenses	32,584	-
3	Accrued Interest	8,296	-
	<b>Total in `</b>	<b>140,209</b>	<b>-</b>

# Bhakti Gems and Jewellers Limited

## PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31<sup>ST</sup> MARCH, 2017

Sr. No	Particulars	Note No.	2017	2016
I	Revenue from operations	14	228,017,806	192,960,414
II	Other Income	15	1,037,568	12
III	<b>III. Total Revenue (I +II)</b>		<b>229,055,374</b>	<b>192,960,426</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	16	225,771,556	185,719,247
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	(4,277,635)	1,991,414
	Employee Benefit Expense	18	3,327,240	3,817,756
	Financial Costs	19	639,296	305,766
	Depreciation and Amortization Expense		52,363	46,558
	Other Administrative Expenses	20	1,093,379	957,131
	<b>Total Expenses (IV)</b>		<b>226,606,199</b>	<b>192,837,872</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>2,449,175</b>	<b>122,554</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>2,449,175</b>	<b>122,554</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>2,449,175</b>	<b>122,554</b>
X	<b>Tax expense:</b>			
	(1) Current tax		730,000	-
	(2) Deferred tax		3,196	-
XI	Profit(Loss) from the period from continuing operations	(IX-X)	<b>1,715,979</b>	<b>122,554</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>1,715,979</b>	<b>122,554</b>
	Add:- Transfer from reserve		-	-
	Less: Proposed Dividend		-	-
	Less: Tax on Dividend		-	-
	<b>Balance Carried Forward to Balance Sheet</b>		<b>1,715,979</b>	<b>122,554</b>
XVI	Earning per equity share:			
	(1) Basic		1.21	0.22
	(2) Diluted		1.21	0.22

### NOTES TO ACCOUNTS

21

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

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

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

**BHAKTI GEMS AND JEWELLERY LIMITED**

(DIRECTOR) (DIRECTOR)

**DHAVAL PADIYA**  
(Proprietor)

PLACE: AHMEDABAD

M No. : 146291

DATE : 22/08/2017

FRN No. 140653W

# Bhakti Gems and Jewellers Limited

Notes Forming Part of the Profit & Loss Accounts as at 31<sup>st</sup> March, 2017

## Note : 14 Revenue from Operations

Sr. No	Particulars	2017	2016
1	Sales	228,017,806	192,960,414
	<b>Total in `</b>	<b>228,017,806</b>	<b>192,960,414</b>

## Note : 15 Other Income

Sr. No	Particulars	2017	2016
1	Interest Income on Mutual Fund	315,212	-
2	Interest on FD	138,381	-
3	Labour Income	382,598	-
4	Stone Charge Income	142,560	-
5	Other Income	58,817	12
	<b>Total in `</b>	<b>1,037,568</b>	<b>12</b>

## Note : 16 Cost of Material Consumed

Sr. No	Particulars	2017	2016
a)	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Purchases	225,771,556	185,719,247
	<b>Sub-total (a)</b>	<b>225,771,556</b>	<b>185,719,247</b>

## Note : 17 Change in Inventories

Sr. No	Particulars	2017	2016
1	Opening Stock	30,412,100	32,403,515
2	Closing Stock	34,689,735	30,412,101
	<b>Total in `</b>	<b>(4,277,635)</b>	<b>1,991,414</b>

## Note : 18 Employment Benefit Expenses

Sr. No	Particulars	2017	2016
1	Salaries, Bonus, PF & ESIC	1,167,240	1,503,640
2	Directors Remuneration	2,160,000	2,314,116
	<b>Total in `</b>	<b>3,327,240</b>	<b>3,817,756</b>

## Notes :19 Financial Cost

Sr. No	Particulars	2017	2016
1	Bank Charges & Interest	639,296	305,766
	<b>Total in `</b>	<b>639,296</b>	<b>305,766</b>

# Bhakti Gems and Jewellers Limited

Notes Forming Part of the Profit & Loss Accounts as at 31<sup>st</sup> March, 2017

## Note : 20 Other Administrative Expenses

Sr. No	Particulars	2017	2016
1	Accountant Salary	-	48,000
2	Audit Fees	25,000	36,000
3	Conveyance Expenses	180,777	90,620
4	Electricity Expenses	74,120	107,810
5	Insurance Expenses	50,270	56,587
6	Income tax	-	109,515
7	ROC Expenses	240,864	27,614
8	Membership Expenses	12,650	3,900
9	Municipal Taxes	34,841	55,052
10	Exhibition Exp	242,610	350,460
11	Office Exp	20,333	19,218
12	Telephone Exp	45,586	32,395
13	Other Expenses	59,050	19,960
14	Travelling Exp	12,160	-
15	Transportation Exp	88,338	-
16	Interest on Statutory Dues	6,780	-
	<b>Total in`</b>	<b>1,093,379</b>	<b>957,131</b>

# Bhakti Gems and Jewellery Limited.

## Significant Accounting Policies and Notes forming parts of Accounts

### Note : 21

#### 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	25000/-	36000/-

#### 8. SBN (Specified Bank Notes):

During the year, the company had Specified Bank Notes (SBNs) or other Denomination notes as defined in the MCA Notification, G.S.R. 308(E), dated March 31, 2017. The Details of SBNs held And Transacted during the Period from November 8, 2016 to December 30, 2016, the denomination -wise SBNs and other notes as per the notification are as follows:

(Amount in Rupees)

Particular	SBN	Other Denomination Notes	Total
Cash in hand on 08.11.2016	21,70,000	9,660	21,79,660
(+) Permitted Receipts	0	73,98,724	73,98,724
(-) Permitted payment	0	74,809	74,809
(-) Amount Deposited in Bank	21,70,000	70,80,000	92,50,000
Closing Cash on 30.12.2016	0	2,53,575	2,53,575

For the purposes of the clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the government of India, in the ministry of finance, department of Economic Affairs Number S.O. 3407(E), dated November 08, 2017.

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

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

**FOR AND ON BEHALF OF THE BOARD**

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

**(Director) (Director)**

**Place: Ahmedabad  
Date: 22.08.2017**

**Place: Ahmedabad  
Date: 22.08.2017**

## **Significant Accounting Policies**

### **A. Basis of preparation of Financial Statements**

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

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

### **B. Revenue Recognition**

Sales are recorded exclusive of Taxes.

### **C. Fixed Assets**

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

### **D. Depreciation**

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

### **E. Impairment of Assets**

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

### **F. Inventories**

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

### **G. Investments**

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

### **H. Retirement Benefits**

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



### **I. Prior Period Items**

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

### **J. Borrowing Cost**

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

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

### **K. Taxes on Income**

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

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

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

### **L. Provision, Contingent liabilities and contingent assets**

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

### **M. Applicability of AS-18**

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

<b>Sr. No</b>	<b>Name</b>	<b>2016-17</b>	<b>Relationship</b>	<b>Nature of transaction</b>
1.	Akshay S Mehta	12,00,000	Director	Remuneration
2.	Varsha A Mehta	9,60,000	Director	Remuneration

**N. Foreign Currency Transaction**

There are no such foreign currency transactions during the year.

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

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

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

(a) Profit after tax	Rs. 17,15,979/-
(b) Equity Share (In Number)	No. 48,51,800
(c) Nominal value of share	Rs. 10 per share
(d) EPS	Rs. 1.21/-

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

**FOR AND ON BEHALF OF THE BOARD**

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

**SD/-  
(Director)**

**SD/-  
(Director)**

**Place: Ahmedabad  
Date:22.08.2017**



**FORM MGT-11  
PROXY FORM**

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

**Annual General Meeting – Saturday, 30th September, 2017**

Name of the Shareholder(s):

\_\_\_\_\_

Registered Address:

\_\_\_\_\_

E-mail ID: \_\_\_\_\_ Folio No. /Client Id: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being member(s) of Bhakti Gems and Jewellery Limited, Holding  
\_\_\_\_\_ shares of the Company, hereby appoint:

A. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

B. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

C. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

As my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the Annual General Meeting of the Company to be held on – Saturday, 30<sup>th</sup> September, 2017 at 11.00 AM at 209, SHREE BALAJI PARAGON, B/S ROCK REGENCY HOTEL, OPP. AXIS BANK, NR. CIRCLE - P, C.G.ROAD, AHMEDABAD-380009, and GUJARAT and at any adjournment thereof in respect of such resolutions as are indicated below:



RESOLUTION NO.	BUSINESS	VOTING	
		FOR	AGAINST
1.	Approval of Accounts-Ordinary Resolution		
2.	Re Appointment of Director-Ordinary Resolution		
3.	Appointment of Auditor-Ordinary Resolution		

Signed this \_\_\_\_ day of \_\_\_\_ 2017

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

Revenue  
Stamp

**Notes:**

- 1) Proxy need not be a member of the Company.
- 2) The Proxy Form duly filled in and signed by the member(s) across Revenue Stamp should reach the Company's Registered Office: 209, Shree Balaji Paragon, B/S Rock Regency Hotel, Opp. Axis Bank, Nr. Circle - P, C.G.Road, Ahmedabad-380009, Gujarat at least 48 hours before the commencement of the meeting.
- 3) Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.



## BHAKTI GEMS AND JEWELLERY LIMITED

CIN: U36910GJ2010PLC060064

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

### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

7<sup>th</sup> Annual General Meeting on 30<sup>th</sup> September, 2017

Full name of the members attending

\_\_\_\_\_ (In  
block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_

No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 7th Annual General Meeting of the 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 on Saturday, the 30<sup>th</sup> September, 2017 at 11.00 A.M

(Members / Proxy Signature)

#### Notes:

- A. Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- B. Member/Proxy who wishes to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.
- C. Member/Proxy should bring his/her copy of the Notice of Extraordinary General Meeting for reference at the meeting.