

# **SHUBHLAXMI JEWEL ART LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

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To

The Members of

**SHUBHLAXMI JEWEL ART LIMITED**

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

#### **Qualified Opinion**

We have audited the accompanying financial statements of **Shubhlaxmi Jewel Art Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2023, the statement of profit and loss and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph below*, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023 and of the profit and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

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

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

#### **Key Audit Matters**

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





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

Revenue recognition

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

Auditor's response:

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Shareholder's Information, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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





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

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

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

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

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

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





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

### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure - A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit *except for information on inventories as stated in note no. 21;*
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2023, from being appointed as a director in terms section 164(2) of the Act;
  - f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure - B may be referred;
  - g) Remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.
  - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;



- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b. The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. Based on such audit procedures that have been 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 (a) and (b) above, contain any material misstatement.
- v. Since the Company has not declared or paid any dividend during the year, the question of commenting on whether dividend declared or paid is in accordance with Section 123 of the Companies Act, 2013 does not arise.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Bhavnagar  
30<sup>th</sup> May, 2023



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 23043485BGVZLC9643



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**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

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

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

- 1 In respect of property, plant and equipment:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.  
  
The Company does not have any intangible assets.
  - b. Property, plant and equipment were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under property, plant and equipment are held in the name of the Company.
  - d. The Company has not revalued any of its property, plant and equipment or intangible assets during the year.
  - e. There are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 as amended and Rules made thereunder.
- 2
  - a. As informed to us, the physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory (refer note no. 21).
  - b. During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets of the Company. The quarterly returns or statements filed by the Company with such banks are generally in agreement with the books of account. A few differences observed were not material.
- 3 In respect of investments, guarantees or securities provided or loans or advances in the nature of loans granted by the Company:
  - a. The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year except:



Particulars	Loans (₹ in lacs)
Aggregate amount of loans granted during the year - others	1,197.66
Balances of loans outstanding as on balance sheet date - others	575.10

- b. The terms and conditions of the grant of these loans are not prejudicial to the interest of the Company *except that no interest is being charged on a few loans squared off during the year.*
- c. In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments are regular.
- d. There is no overdue amount in respect of loans granted.
- e. No loans or advances in the nature of loans granted by the Company that have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. The Company has not granted any loans or advances in the nature of loans that are either repayable on demand or without specifying any terms or period of repayment.
- 4 The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, investments made, guarantees given and securities provided, to the extent applicable.
- 5 The Company has not accepted any deposits from public or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and rules made thereunder, to the extent applicable, *except for advances from customers aggregating to ₹ 27.34 lacs, which, in the opinion of the management, are accepted in the ordinary course of business.*
- 6 The Central Government has not prescribed maintenance of the cost records under section 148(1) of the Companies Act, 2013.
- 7 In respect of statutory and other dues:
- a. The Company has been regular in depositing undisputed statutory dues, including goods and service tax, provident fund, employees state insurance, income tax, cess, and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable
- b. There are no statutory dues outstanding, which have not been deposited on account of dispute.
- 8 The Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year
- 9 a. The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c. On an overall examination of the financial statements of the Company, the term loans have been applied for the purposes for which they were obtained.



- d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.
- e. The Company does not have any subsidiary, joint venture or associates. The requirement to report under clause 3(ix)(e) and (f) of the order is, therefore, not applicable.
- 10 a. The Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).
- b. The Company has complied with provisions of section 42 and 62 of the Act in respect of conversion of share warrants into equity shares during the year. (refer note no. 30).
- 11 a. No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- c. The Company has not received any whistle blower complaint during the year and up to the date of this report.
- 12 The Company is not a Nidhi Company as per the provisions of the Act. The requirement to report under clause 3 (xii) of the Order is, therefore, not applicable.
- 13 Transactions with the related parties are in compliance with Section 177 and 188 of the Act, wherever applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- 14 a. The Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date for the period under audit.
- 15 The Company has not entered into any non-cash transactions with its directors or persons connected with its directors.
- 16 a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b. The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid certificate of registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d. There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- 17 The Company has not incurred cash losses in the current and in the immediately preceding financial year.



- 18 There has been no resignation by the statutory auditors of the Company during the year.
- 19 According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20 The Company is not covered under Section 135(1) of the Act with respect to the applicability of Corporate Social Responsibility. The requirement to report under clause (xx) of the Order is, therefore, not applicable.

Bhavnagar  
30<sup>th</sup> May, 2023



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

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MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 23043485BGVZLC9643



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**ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

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

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We have audited the internal financial controls over financial reporting of **Shubhlaxmi Jewel Art Limited** ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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



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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Bhavnagar  
30<sup>th</sup> May, 2023



For SANGHAVI & COMPANY  
Chartered Accountants  
FRN: 109099W

*Manoj Ganatra*

MANOJ GANATRA  
Partner  
Membership No. 043485  
UDIN: 23043485BGVZLC9643



## SHUBHLAXMI JEWEL ART LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2023

(Indian ₹ in lacs)

Particulars	Note No.	31st March 2023	31st March 2022
<b>EQUITY AND LIABILITIES ::</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	880.40	830.40
Reserves and Surplus	3	912.68	791.03
Money received against Share Warrants		63.00	80.50
		1,856.08	1,701.93
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	273.89	203.90
Deferred Tax Liabilities (net)		3.35	3.18
Other Long Term Liabilities		-	-
Long-Term Provisions	5	6.37	5.07
		283.61	212.15
<b>Current Liabilities</b>			
Short-Term Borrowings	4	878.76	450.87
Trade Payables	7		
Total outstanding dues of micro and small enterprises		11.06	-
Total outstanding dues of creditors other than micro and small enterprises		133.29	78.86
Other Current Liabilities	6	261.83	201.67
Short-Term Provisions	5	4.12	3.87
		1,289.06	735.27
<b>Total...</b>		<b>3,428.75</b>	<b>2,649.35</b>
<b>ASSETS ::</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	193.75	178.89
Intangible Assets		-	-
Capital Work-in-Progress		-	-
		193.75	178.89
Non-Current Investments		-	-
Deferred Tax Assets (net)		-	-
Long-Term Loans and Advances		-	-
Other Non-current Assets	9	8.15	8.15
		201.90	187.04
<b>Current Assets</b>			
Current Investments		-	-
Inventories	10	2,430.32	2,086.32
Trade Receivables	11	140.77	216.34
Cash and Cash Equivalents	12	28.72	13.16
Short-Term Loans and Advances	13	627.04	146.49
Other Current Assets		-	-
		3,226.85	2,462.31
<b>Total...</b>		<b>3,428.75</b>	<b>2,649.35</b>

The accompanying notes 1 to 32 are an integral part of these financial statements.

As per our report of even date

For SANGHAVI & COMPANY  
Chartered AccountantsMANOJ GANATRA  
Partner

For and on behalf of the Board of Directors

20/20 20/20 20/20

JAGRUTIBEN CHAUHAN  
Director  
DIN: 08127789

NARENDRASINH CHAUHAN  
Managing Director  
DIN: 08123747

ASHMI PATEL  
Company Secretary  
PAN: CGSP8634B

V.R. Chapameri  
VAIBHAV CHAPANERI  
Chief Financial Officer  
PAN: AQVPC6808R

Bhavnagar  
30th May, 2023Bhavnagar  
30th May, 2023

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2023

(Indian ₹ in lacs)

Particulars	Note No.	2022-2023	2021-2022
<b>REVENUE :</b>			
Revenue from Operations	14	7,760.15	6,170.32
Other Income	15	37.99	0.09
Total Income		<u>7,798.14</u>	<u>6,170.41</u>
<b>EXPENSES :</b>			
Materials and Direct Expenses		-	-
Purchases of Stock in trade		7,425.18	5,561.03
Changes in Inventories	16	(325.38)	(2.22)
Employee Benefit Expenses	17	119.78	111.92
Finance Costs	18	109.75	74.86
Depreciation and Amortization	8	14.11	12.49
Other Expenses	19	315.93	307.95
Total Expenses		<u>7,659.37</u>	<u>6,066.03</u>
Profit before exceptional and extraordinary items and tax		138.77	104.38
Exceptional Items		-	-
Profit before extraordinary items and tax		<u>138.77</u>	<u>104.38</u>
Extraordinary Items		-	-
Profit Before Tax		138.77	104.38
Tax Expenses			
Current Tax		33.50	23.30
Earlier Years' Tax		3.45	(1.82)
Deferred Tax		0.17	5.03
Net Profit for the year		<u>101.65</u>	<u>77.87</u>
Face Value per Equity Share		10.00	10.00
Earnings per Equity Share			
Basic		1.18	0.94
Diluted		1.01	0.91
The accompanying notes 1 to 32 are an integral part of these financial statements.			

As per our report of even date

For SANGHAVI & COMPANY  
Chartered AccountantsMANOJ GANATRA  
Partner

For and on behalf of the Board of Directors

2023/05/29 2:11:11

JAGRUTIBEN CHAUHAN  
Director  
DIN: 08127789NARENDRASINH CHAUHAN  
Managing Director  
DIN: 08123747

  
ASHMI PATEL  
Company Secretary  
PAN: CGSPP8634B


  
VAIBHAV CHAPANERI  
Chief Financial Officer  
PAN: AQVPC6808R



## SHUBHLAXMI JEWEL ART LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

(Indian ₹ in lacs)

Particulars	2022-2023	2021-2022
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax And Extraordinary Items	138.77	104.38
Adjustments for -		
Depreciation	14.11	12.49
Interest (net)	53.62	48.96
Operating Profit Before Working Capital Changes	206.50	165.83
Adjustments for -		
Trade and Other Receivables	164.09	(187.95)
Inventories	(344.00)	(2.99)
Trade and Other Payables	127.20	(133.58)
Cash Generated From Operations	153.79	(158.69)
Direct Taxes Paid	(31.07)	(30.20)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>122.72</b>	<b>(188.89)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant and Equipment	(28.97)	(1.96)
Sale of Property, Plant and Equipment	-	-
Interest Received	37.96	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>8.99</b>	<b>(1.96)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Borrowings (net)	497.88	189.27
Proceeds from Short Term Borrowings (net)	-	(35.49)
Loans Granted	(574.95)	0.37
Proceeds from issue of share capital	52.50	-
Money Received Against Share Warrants	-	80.50
Interest Paid	(91.58)	(48.96)
Dividend Paid	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(116.15)</b>	<b>185.69</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>15.56</b>	<b>(5.16)</b>
Cash and Cash Equivalents as at beginning of the year	13.16	18.32
Cash and Cash Equivalents as at end of the year	<b>28.72</b>	<b>13.16</b>
<b>Cash and Cash Equivalents:</b>		
Cash and Bank Balances	28.72	13.16
Statutory restricted accounts	-	-
	<b>28.72</b>	<b>13.16</b>

As per our report of even date

For SANGHAVI & COMPANY  
Chartered AccountantsMANOJ GANATRA  
Partner

For and on behalf of the Board of Directors

JAGRUTIBEN CHAUHAN

Director

DIN: 08127789

ASHMI PATEL

Company Secretary

PAN: CGSP8634B

NARENDRASINH CHAUHAN

Managing Director

DIN: 08123747

VAIBHAV CHAPANERI

Chief Financial Officer

PAN: AQVPC6808R

Bhavnagar  
30th May, 2023Bhavnagar  
30th May, 2023

## Company Information:

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

### Note: 1

#### 1 **Significant Accounting Policies:**

##### 1.1 **Basis of Accounting:**

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

The Company's financial statements are reported in Indian Rupees, which is also the company's functional currency, and all values are rounded to the nearest lacs except otherwise indicated.

##### 1.2 **Use of Estimates:**

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

##### 1.3 **Property, Plant and Equipment:**

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

##### 1.4 **Inventories:**

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

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

##### 1.5 **Revenue Recognition:**

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

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





1.6 **Goods and Service Tax:**

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

1.7 **Employee Benefits:**

**Post-employment benefit plans:**

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

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

1.8 **Borrowing Costs:**

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

1.9 **Taxation:**

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

1.10 **Earning per Share:**

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

1.11 **Provision and Contingencies:**

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



**Note No. 2****2.1 Share Capital:**

(Indian ₹ in lacs)

Particulars	31st March 2023	31st March 2022
	₹	₹
<b>Authorised</b>		
1,10,00,000 (8,50,00,000) equity shares of ₹ 10 each	1,100.00	850.00
	<b>1,100.00</b>	<b>850.00</b>
<b>Issued, Subscribed and Paid up</b>		
88,04,000 (83,04,000) equity shares of ₹ 10 each	880.40	830.40
	<b>880.40</b>	<b>830.40</b>

2.2 Equity shares issued as fully paid-up bonus shares or otherwise than by cash during the preceding five years: Nil

**2.3. Reconciliation of equity shares outstanding at the beginning and at the end of the year :**

Particulars	As on 31st March, 2023		As on 31st March, 2022	
	No. of shares	₹ in lacs	No. of shares	₹ in lacs
Balance at the beginning of the year	83,04,000	830.40	83,04,000	830.40
Issued during the year	5,00,000	50.00	-	-
Balance at end of the year	88,04,000	830.40	83,04,000	830.40

**2.4. Shares held by each promoter and promoter group :**

Name of Shareholder	As at 31st March, 2023		As at 31st March 2022		Change (%)
	Nos.	% of holding	Nos.	% of holding	
Narendrasinh J Chauhan	34,74,880	39.47	21,00,140	25.29	14.18
Soham N Chauhan	15,00,000	17.04	-	-	17.04
Jitendrakumar J Chauhan	-	-	20,78,140	25.03	(25.03)
Jagrutiben N Chauhan	7,94,600	9.03	7,94,600	9.57	(0.54)
Kajalben J Chauhan	-	-	7,94,600	9.57	(9.57)
Vilasben A Parmar	4,240	0.05	16,240	0.20	(0.15)
Ranjitsinh G Solanki	10,140	0.12	10,140	0.12	(0.01)
Jignasha R Solanki	8,140	0.09	7,140	0.09	0.01

Name of Shareholder	As at 31st March, 2022		As at 31st March 2021		Change (%)
	Nos.	% of holding	Nos.	% of holding	
Narendrasinh J Chauhan	21,00,140	25.29	20,79,140	25.04	0.25
Jitendrakumar J Chauhan	20,78,140	25.03	20,78,140	25.03	-
Jagrutiben N Chauhan	7,94,600	9.57	7,94,600	9.57	-
Kajalben J Chauhan	7,94,600	9.57	7,94,600	9.57	-
Vilasben A Parmar	16,240	0.20	16,240	0.20	-
Ranjitsinh G Solanki	10,140	0.12	10,140	0.12	-
Jignasha R Solanki	7,140	0.09	7,140	0.09	-

**2.5 Shares held by each shareholder holding more than five per cent shares**

Name of Shareholder	As on 31st March, 2023		As on 31st March, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Narendrasinh J Chauhan	34,74,880	39.47	21,00,140	25.29
Soham N Chauhan	15,00,000	17.04	-	-
Jitendrakumar J Chauhan	-	-	20,78,140	25.03
Jagrutiben N Chauhan	7,94,600	9.03	7,94,600	9.57

**2.6 Rights, preferences and restrictions attached to shares**

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





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

( Indian ₹ in lacs)

Particulars	31st March 2023	31st March 2022
	₹	₹
<b><u>Securities Premium</u></b>		
Balance at the beginning of the year	332.45	332.45
Additions during the year	20.00	-
Balance at the end of the year	352.45	332.45
<b><u>Surplus</u></b>		
Balance at the beginning of the year	458.58	380.71
Net profit for the year	101.65	77.87
Balance at the end of the year	560.23	458.58
	<b>912.68</b>	<b>791.03</b>

**Note No. 4****Borrowings**

( Indian ₹ in lacs)

Particulars	Long-Term		Short-Term	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	₹	₹	₹	₹
<b><u>Secured Loans</u></b>				
Term loans from banks	273.89	203.90	-	-
Working capital finance from a bank	-	-	742.26	408.90
Current maturity of long-term debts from banks	-	-	51.65	41.97
	<b>273.89</b>	<b>203.90</b>	<b>793.91</b>	<b>450.87</b>
<b><u>Unsecured Loans</u></b>				
Loan from directors	-	-	84.85	-
	<b>273.89</b>	<b>203.90</b>	<b>878.76</b>	<b>450.87</b>

Note: Term loan and working capital finance from bank are secured by by first hypothecation charge on entire movable fixed assets of the Company, both present & future, on pari-passu basis, further secured by first pari-passu charge on immovable properties of the Company personal guarantee of two of the directors of the Company. Term loans for vehicles are against hypothecation of vehicles.



**Note No. 5****Provisions**

(Indian ₹ in lacs)

Particulars	Long-Term		Short-Term	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
	₹	₹	₹	₹
Provision for gratuity	5.98	4.03	0.11	-
Provision for leave encashment	0.39	1.04	0.04	0.10
Provision for bonus	-	-	3.97	3.77
	<u>6.37</u>	<u>5.07</u>	<u>4.12</u>	<u>3.87</u>

**Note No. 6****Other Current Liabilities**

(Indian ₹ in lacs)

Particulars	31st March 2023	31st March 2022
	₹	₹
Advances from customers	242.77	190.73
Statutory liabilities	5.84	5.30
Other liabilities	13.22	5.64
	<u>261.83</u>	<u>201.67</u>

**Note No. 7****Trade Payables**

(Indian ₹ in lacs)

Particulars	31st March 2023	31st March 2022
	₹	₹
Trade payables		
Total outstanding dues of micro and small enterprises	11.06	-
Total outstanding dues of creditors other than micro and small enterprises	133.29	78.86
	<u>144.35</u>	<u>78.86</u>





7.1 Trade Payables ageing schedule :

( Indian ₹ in lacs)

Particular	Not Due	Period from due date of payments				Total
		Less than 1 year	1 - 2 years	2 - 3 years	> 3 years	

31st March, 2023

Outstanding dues to MSME	-	11.06	-	-	-	11.06
Others	-	88.56	34.27	10.46	-	133.29
Total....	-	99.62	34.27	10.46	-	144.35

31st March, 2022

Outstanding dues to MSME	-	-	-	-	-	-
Others	-	27.77	51.09	-	-	78.86
Total....	-	27.77	51.09	-	-	78.86



**Note No. 8**  
**Property, Plant and Equipment**

( Indian ₹ in lacs)

Particulars	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Computers	Vehicles	Total
<b>Gross carrying value</b>							
As at 1st April, 2021	250.77	0.79	63.19	47.77	13.09	21.87	397.48
Additions	-	-	1.61	-	0.35	-	1.96
Disposals	-	-	-	-	-	-	-
As at 31st March, 2022	250.77	0.79	64.80	47.77	13.44	21.87	399.44
Additions	-	-	2.52	1.76	1.01	23.68	28.97
Disposals	-	-	-	-	-	-	-
As at 31st March, 2023	250.77	0.79	67.32	49.53	14.45	45.55	428.41
<b>Accumulated depreciation</b>							
As on 1st April, 2021	101.58	0.13	52.06	26.86	11.76	15.67	208.06
Depreciation charged	3.96	0.05	2.48	3.74	0.55	1.71	12.49
Disposals	-	-	-	-	-	-	-
As at 31st March, 2022	105.54	0.18	54.54	30.60	12.31	17.38	220.55
Depreciation charged	3.96	0.05	2.89	3.78	0.40	3.03	14.11
Disposals	-	-	-	-	-	-	-
As at 31st March, 2023	109.50	0.23	57.43	34.38	12.71	20.41	234.66
<b>Net carrying value</b>							
As at 31st March, 2022	145.23	0.61	10.26	17.17	1.13	4.49	178.89
As at 31st March, 2023	141.27	0.56	9.89	15.15	1.74	25.14	193.75





**Note No. 9****Non Current Assets**

Particulars	( Indian ₹ in lacs)	
	31st March 2023	31st March 2022
	₹	₹
Security deposits	8.15	8.15
	<u>8.15</u>	<u>8.15</u>

**Note No. 10****Inventories**

Particulars	( Indian ₹ in lacs)	
	31st March 2023	31st March 2022
	₹	₹
Stock in trade	2,409.69	2,084.31
(Valued at lower of cost or net realisable value)		
Packing and other materials	20.63	2.01
	<u>2,430.32</u>	<u>2,086.32</u>

**Note No. 11****Trade Receivables**

Particulars	( Indian ₹ in lacs)	
	31st March 2023	31st March 2022
	₹	₹
Unsecured, considered good	140.77	216.34
Unsecured, significant increase in credit risk	-	-
Unsecured, considered doubtful	-	-
Less: Loss allowance for doubtful debts	-	-
	<u>140.77</u>	<u>216.34</u>



# 11.1 Trade receivables ageing schedule:

( Indian ₹ in lacs)

Particular	Not due	Period from due date of payments					Total
		< 6 Months	6 months- 1 year	1 - 2 years	2 - 3 years	> 3 years	

31st March, 2023

Undisputed trade receivables- considered good	-	71.71	12.79	27.84	6.62	21.81	140.77
Total....	-	71.71	12.79	27.84	6.62	21.81	140.77

31st March, 2022

Undisputed trade receivables- considered good	-	120.50	7.43	30.64	25.21	32.56	216.34
Total....	-	120.50	7.43	30.64	25.21	32.56	216.34





**Note No. 12****Cash and Bank Balances**

( Indian ₹ in lacs)

Particulars	31st March 2023	31st March 2022
	₹	₹
<u>Cash and Cash Equivalents</u>		
Balances with Banks:		
Current accounts	9.53	3.47
Dividend accounts	-	-
Short term deposits	-	-
	9.53	3.47
Cash on hand	19.19	9.69
	28.72	13.16

**Note No. 13****Short-Term Loans and Advances**

( Indian ₹ in lacs)

Particulars	31st March 2023	31st March 2022
	₹	₹
<u>Unsecured (considered good)</u>		
Trade advances to suppliers	35.18	137.37
Prepaid expenses	14.84	2.01
Advance payment of taxes (net of provisions)	0.09	5.97
Input credit receivables	1.83	0.99
Other loans and advances	575.10	0.15
	627.04	146.49



**Note No. 14**  
**Revenue from Operations**

Particulars	( Indian ₹ in lacs)	
	2022-2023	2021-2022
	₹	₹
Sales (net)	7,760.15	6,170.32
	<u>7,760.15</u>	<u>6,170.32</u>
Other operational income	-	-
	<u>7,760.15</u>	<u>6,170.32</u>

**Note No. 15**  
**Other Income**

Particulars	( Indian ₹ in lacs)	
	2022-2023	2021-2022
	₹	₹
Interest income	37.96	-
Sundry balances written back	0.03	-
Other income	-	0.09
	<u>37.99</u>	<u>0.09</u>

**Note No. 16**  
**Change in Inventories**

Particulars	( Indian ₹ in lacs)	
	2022-2023	2021-2022
	₹	₹
<u>Closing Stock</u>		
Stock in trade	2,409.69	2,084.31
	<u>2,409.69</u>	<u>2,084.31</u>
<u>Opening Stock</u>		
Stock in trade	2,084.31	2,082.09
	<u>2,084.31</u>	<u>2,082.09</u>
	<u>(325.38)</u>	<u>(2.22)</u>

**Note No. 17**  
**Employee Benefit Expenses**

Particulars	( Indian ₹ in lacs)	
	2022-2023	2021-2022
	₹	₹
Salaries, bonus and allowances	67.28	67.64
Directors' remuneration	45.00	40.00
Contribution to PF and other funds	6.57	3.80
Staff welfare and other expenses	0.93	0.48
	<u>119.78</u>	<u>111.92</u>





**Note No. 18**  
**Finance Costs**

Particulars	( Indian ₹ in lacs)	
	2022-2023	2021-2022
	₹	₹
<u>Interest</u>		
Bank	91.31	48.64
Income tax	0.21	0.30
Others	0.06	0.02
	91.58	48.96
Other borrowing costs	18.17	25.90
	109.75	74.86

**Note No. 19**  
**Other Expenses**

Particulars	( Indian ₹ in lacs)	
	2022-2023	2021-2022
	₹	₹
<u>Trading Expenses</u>		
Packing materials and expenses	4.69	11.12
Labour charges	185.48	206.58
Other expenses	8.47	0.27
	198.64	217.97
<u>Selling and Distribution Expenses</u>		
Discount, kasar and sales scheme expenses	34.36	21.28
Business promotion expenses	1.39	1.58
	35.75	22.86
<u>Administrative and Other Expenses</u>		
Advertisement expenses	18.55	9.75
Office repairs and maintenance	2.91	1.12
Rates and taxes	1.07	1.07
Electric expenses	5.16	3.97
Insurance premiums	3.05	2.29
Postage and telephone expenses	0.47	0.48
Printing and stationery expenses	2.66	3.29
Computer and software expenses	0.57	1.35
Vehicle expenses	1.15	2.41
Travelling and conveyance	1.19	0.26
Accounting charges	1.20	1.20
Legal and professional fees	9.40	14.12
Auditors' Remuneration	3.63	2.88
Bank commission and charges	13.63	10.99
Donations	8.02	2.60
General expenses	8.88	9.34
	81.54	67.12
	315.93	307.95



**20. Additional Regulatory Information**

Additional Regulatory Information pursuant to clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division I of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the financial Statement.

**a. Ratio**

No.	Particulars	Numerator	Denominator	As at 31st March,		Variance	Reason for variance, if more than 25%
				2023	2022		
1	Current Ratio (in times)	Current Assets	Current Liabilities	2.50	3.35	(25.25)	Increase in current assets
2	Debt-Equity Ratio (in times)	Total debt	Shareholders' equity	0.62	0.38	61.42	Increase in debt
3	Debt Service Coverage Ratio (in times)	Earning available fo debt service	Debt service	0.92	1.41	(35.24)	Increase in debt
4	Return on Equity Ratio (%)	Net profit after taxes	Average shareholder's equity	5.95	4.92	21.00	
5	Inventory Turnover Ratio (No. of days)	Sales	Average inventory	106.22	123.33	(13.87)	
6	Trade Receivables Turnover Ratio (No. of days)	Net credit sales	Average trade receivables	8.40	10.12	(17.03)	
7	Trade Payables Turnover Ratio (No. of days)	Net credit purchases	Average trade payables	5.35	9.12	(41.36)	Increase in purchases
8	Net Capital Turnover Ratio (in times)	Net sales	Working capital	91.14	102.16	(10.78)	
9	Net Profit Ratio (%)	Net profit	Net sales	1.31	1.26	3.79	
10	Return on Capital Employed (%)	Earning before interest and taxes	Capital employed	8.43	7.86	7.17	
11	Return on Investments (%)	Income generated from invested funds	Average invested funds	-	-	-	





- b. The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- c. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- e. The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- f. The Company does not have any transactions with struck-off companies.
- g. The Company has used the borrowings from banks for the specific purpose for which it was obtained.
- h. The Company does not have any subsidiaries and therefore, compliance as to the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017 is not applicable.
- i. The company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities(intermediaries), with the understanding that the intermediary shall;
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
  - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- j. The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
  - i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
  - ii. Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- k. The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 ( such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- l. Quarterly returns or statements of current assets filed by the Company with banks are generally in agreement with the books of accounts and differences are not material.
- m. The Company does not have any charges or satisfaction, as on the date of this report, which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.



- 21 Physical verification of inventories was not carried out by the Auditors. Inventories and valuation thereof are, therefore, taken as verified, valued and certified by the management of the Company. In respect of valuation of inventories, adequate documents and details for valuation of the inventories were not made available to the Auditors. In absence of such information and appropriate audit evidence, the Auditors have relied upon the explanations furnished to them by the management.
- 22 Balances for trade receivables, trade payables, balances with some of the banks and for advances are subject to confirmations from the respective parties. In absence of such confirmations, balances as per books have been relied upon by the Auditors.
- 23 Deferred tax liabilities of ₹ 0.17 lacs arising during the year, a major component of which is due to timing difference related to depreciation charged in the accounts and as claimed under the Income Tax Act, is debited to the profit & loss account. Details of the balance of ₹ 3.35 lacs are as under:

Particulars	₹ in lacs
Depreciation	6.03
Disallowance u/s 43B of the Income Tax Act	(2.68)
<b>Total</b>	<b>3.35</b>

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

26 **Payment to Auditors:**

Particulars	2022-2023 ₹ in lacs	2021-2022 ₹ in lacs
Audit fees (including half yearly review fees)	2.25	1.65
Tax audit fees	0.30	0.25
Other matters	1.08	0.98

27 **Related Party Disclosures:**

➤ **Key Managerial Personnel and Relatives:**

- |  |  |
|--|--|
| 1. Narendrasinh Chauhan                  | 2. Vaibhav Chapaneri (w.e.f. 23.12.2022) |
| 3. Jagrutiben Chauhan                    | 4. Ankurbhai Maheshbhai Prabhani         |
| 5. Ranjitsinh Solanki (upto. 21.12.2022) | 6. Vilasben Parmar                       |





7. Ashmi Patel

8. Jignasaben Solanki

9. Soham Chauhan

10. Apexa Vyas (w.e.f. 23.05.2022)

11. Shreya Chauhan

12. Neelabh Kaushik (w.e.f. 23.05.2022)

13. Chintan Chapaneri (w.e.f. 23.12.2022)

Nature of Transactions	2022-2023	2021-2022
	₹ in lacs	₹ in lacs
<b>Key Management Personnel and Relatives:</b>		
1. Remuneration	45.00	40.00
2. Loans accepted	84.85	-
3. Purchases of Materials	0.99	-
4. Sales of Materials	3.10	-
Outstanding Balances:		
1. Trade Receivables	2.23	-
2. Other Current Liabilities	4.19	-
7. short-term borrowings	84.85	-
8. Trade advances	3.22	

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

**28.1 Sales & Stocks:**

Particulars	Sales	Closing Stock	Opening Stock
	₹ in lacs	₹ in lacs	₹ in lacs
Precious Metals and Ornaments	7,760.15	2,409.69	2,084.31
	(6,170.32)	(2,084.31)	(2,082.09)

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

**29. Disclosure as per AS-15 on "Employee Benefit" for the year ended 31st March 2023:**

Particulars	₹ in lacs	
<b>Gratuity Plan (non-funded)</b>	<b>2022-2023</b>	<b>2021-2022</b>
<b>Change in the defined benefit obligations</b>		
Defined benefit obligations as at 1st April	4.03	4.67
Service cost	3.52	1.38
Interest cost	0.30	0.32
Actuarial loss / (Gain)	(1.76)	(2.34)
Benefits paid	-	-
Defined benefit obligations as at 31st March	6.09	4.03
The net amount recognized in the statement of profit and loss for		



the year ended 31st March is as follows:		
Current service cost	3.52	1.38
Interest cost	0.30	0.32
Expected return on plan assets	-	-
Net actuarial loss / (gain) recognized	(1.76)	(2.34)
<b>Net amount recognized</b>	<b>2.06</b>	<b>(0.64)</b>
The Principal actuarial assumption used are as follow:		
Discount Rate	7.40 %	6.80 %
Rate of increase in compensation levels	6.00 %	6.00 %

- 30 The Company has, issued 5,00,000 equity shares of Rs. 10 each at the price of Rs. 14 upon conversion of share warrants on 25<sup>th</sup> July, 2022.
- 31 All the amounts are stated in Indian Rupees, unless otherwise stated.
- 32 Previous year's figures are regrouped and rearranged, wherever necessary.

**Signatures to Note No. 1 to 32**

As per our report of even date

For SANGHAVI & COMPANY  
Chartered Accountants



For and on behalf of the Board of Directors

*Manoj Ganatra*  
MANOJ GANATRA  
Partner

*Jagrutiben Chauhan*

JAGRUTIBEN CHAUHAN  
Director  
DIN: 08127789

*Narendrasinh Chauhan*

NARENDRASINH CHAUHAN  
Managing Director  
DIN: 08123747

*Ashmi Patel*

ASHMI PATEL  
Company Secretary  
PAN: CGSPP8634B

*V.R. Chopaneri*

VAIBHAV CHAPANERI  
Chief Financial Officer  
PAN: AQVPC6808R

Bhavnagar  
30<sup>th</sup> May, 2023

Bhavnagar  
30<sup>th</sup> May, 2023