




**30th Annual Report
of
Manoj Vaibhav Gems 'N' Jewellers Private Limited**



2018-19**Corporate Information****Chairperson & Managing Director** Mrs. G.B.M Ratna Kumari**Directors** Mr. G.S.V Amarendra Mrs. Sai Sindhuri Grandhi Ms. Sai Keerthana Grandhi**Chief Executive Officer (CEO)** Mr. Satish Ramanujakoodam**Company Secretary** Mr. Bandari Shiva Krishna**Statutory Auditor** Mr. KKS Swamy, Chartered Accountant, Eluru.**Bankers** State Bank of India Andhra Bank Axis Bank Limited HDFC Bank Limited Canara Bank Federal Bank Limited**Registered Office**

7A-9-21, Main Bazaar, Eluru-534 001, West Godavari District, Andhra Pradesh, India, Ph.: +91 8812 668664, Website: www.vaibhavjewellers.com.

Corporate Office

D. No. 47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam-530016, Andhra Pradesh, India. Ph: +91 891 6634567, Website: www.vaibhavjewellers.com.



SHOWROOMS

Visakhapatnam

1. A-1, Pavan Palace, Dwarakanagar, Visakhapatnam- 530 016, Andhra Pradesh, India. Ph: +91 891 6623700.
2. V Square, D. No. 47-15-8, Station Road, Dwarakanagar, Visakhapatnam- 530 016, Andhra Pradesh, India. Ph: +91 891 6667777.

Kakinada

3. D.No: 34-1-1, Opp. District Co-Operative Bank, Pulavarthivari Street, Kakinada, Andhra Pradesh 533001, India. Ph: +91 884 6666610.

Gajuwaka

4. D.No.10-7-110/1, Cinema Hall Junction, Gajuwaka, Andhra Pradesh, India. Ph: +91 891 6637779

Parvathipuram

5. D.No: 25-1, Near RTC Complex, Main Road, Parvathipuram, Vizianagaram Dist. – 535501, Andhra Pradesh, India, Ph: 08963 222 100.

Rajamahendravaram

6. D.No:6-5-85, Opp. Hero Motor bike showroom, Main Rd, Tyagaraja Nagar, Rajahmundry, Andhra Pradesh 533101, India, Ph: 0883 660 1777.

Bobbili

7. D.No.13-182, Korada Street Jn., Balijipeta Road, Bobbili – 535558, VizianagaramDist, Andhra Pradesh, Ph:08944 254777

Anakapalle

8. D.No.11-1-50, Near Sri Kanyakaparameswari Temple, Main Road, Anakapalle, 531001, Visakhapatnam, Andhra Pradesh, Ph:90320 77277

Dilsukhnagar, Hyderabad

9. D.No.16-11-477, Near Hanuman Temple, Main Road, Dilsukhnagar, Hyderabad, 500 060, Ph:040 6656 5787

A.S Rao Nagar, Hyderabad

10. D.No:1-19-71/A-8/2 Aiswarya Chambers, Above Ratnadeep Super Market, Main Road, Lakshmipuram Colony, Rukminipuri Colony, Dr.AS Rao Nagar, Secunderabad, Telangana-500062,India.

Gopalapatnam

11. 4-218/6/1, Main Road, Gopalapatnam, Simhachalam, Visakhapatnam-530027,Andhra Pradesh,India.Ph: 0891 6667777

Our Vision

A richer tomorrow:

The three E's of enrichment:

Our Vision is to enrich the lives of everyone we touch through innovative products and services that enable Expression, Experience and Evolution.

Our Mission

Our Mission is to enrich Stakeholders' value through:

- Customer Delight
- Employee Satisfaction
- Expand our presence at various Strategic Locations.

Awards & Recognition



Dare to dream award presented by Andhra chamber of commerce and sap

VISAKHAPATNAM BEST BRAND AWARDS 2018.

Presented to



Vaibhav Jewellers, Visakhapatnam

Excellence Partner

Dr. R. L. Bhatia
Dr. R. L. Bhatia
Founder, World CSR Day &
World Sustainability



28th December, 2018
The Gateway Hotel, Visakhapatnam

Media Partner



Endorsed By



"Visakhapatnam Best Brand Award 2018"

by CMO Asia, endorsed by **World Federation of Marketing
professionals** on 28th December, 2018

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NOTICE

Notice is hereby given that the **30th Annual General Meeting (AGM)** of the members of **Manoj Vaibhav Gems 'N' Jewellers Private Limited**, CIN: U55101AP1989PTC009734 will be held on Monday, 30th September, 2019 at 4:00 p.m. at its Registered office at 7A-9-21, Main Bazar, Eluru, 534 001, Andhra Pradesh, India to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 including Balance Sheet as at 31st March, 2019 and the statement of profit and loss made upto that date, along with the Reports of the Board of Directors and Auditors thereon.

By order of the Board of Directors
For Manoj Vaibhav Gems 'N' Jewellers Private Limited



G.B.M. Ratna Kumari

G.B.M Ratna Kumari
Chairperson & Managing Director
DIN: 00492520

Place: Visakhapatnam
Date: 22nd August, 2019.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY(S) REGISTERED OFFICE NOT LATER THAN 48 (FORTY EIGHT HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
3. Members are requested to notify immediately any change in their address to the company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
5. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Manoj Vaibhav Gems 'N' Jewellers Private Limited

CIN: U55101AP1989PTC009734

Regd. Office: 7A-9-21, Main Bazar, Eluru, 534001, Andhra Pradesh, India.

Proxy Form (MGT-11)

(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No./DPID No /Client ID No: _____

I/We, being the member(s) of _____ Shares of Manoj Vaibhav Gems 'N' Jewellers Private Limited, hereby appoint:

1. Name:: _____ E-mail Id: _____

Address: _____

Signature: _____

Or failing him

2. Name:: _____ E-mail Id: _____

Address: _____

Signature: _____

Or failing him

3. Name:: _____ E-mail Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting to be held on Monday, 30th September, 2019 at 4:00 p.m. at the Registered office at 7A-9-21, Main Bazar, Eluru, 534 001, Andhra Pradesh, India, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors thereon.

Signed this..... day of..... 20.....

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Manoj Vaibhav Gems 'N' Jewellers Private Limited
CIN: U55101AP1989PTC009734
Regd. Office: 7A-9-21, Main Bazar, Eluru, 534 001, Andhra Pradesh, India.

ATTENDANCE SLIP
(To be presented at the entrance)

I hereby record my presence at the 30th Annual General Meeting of the Company held at its registered office at 7A-9-21, Main Bazar, Eluru, 534 001, Andhra Pradesh, India, on Monday, 30th September, 2019 at 4:00 p.m.

Folio No. _____ DP. ID. No. _____ Client ID No. _____

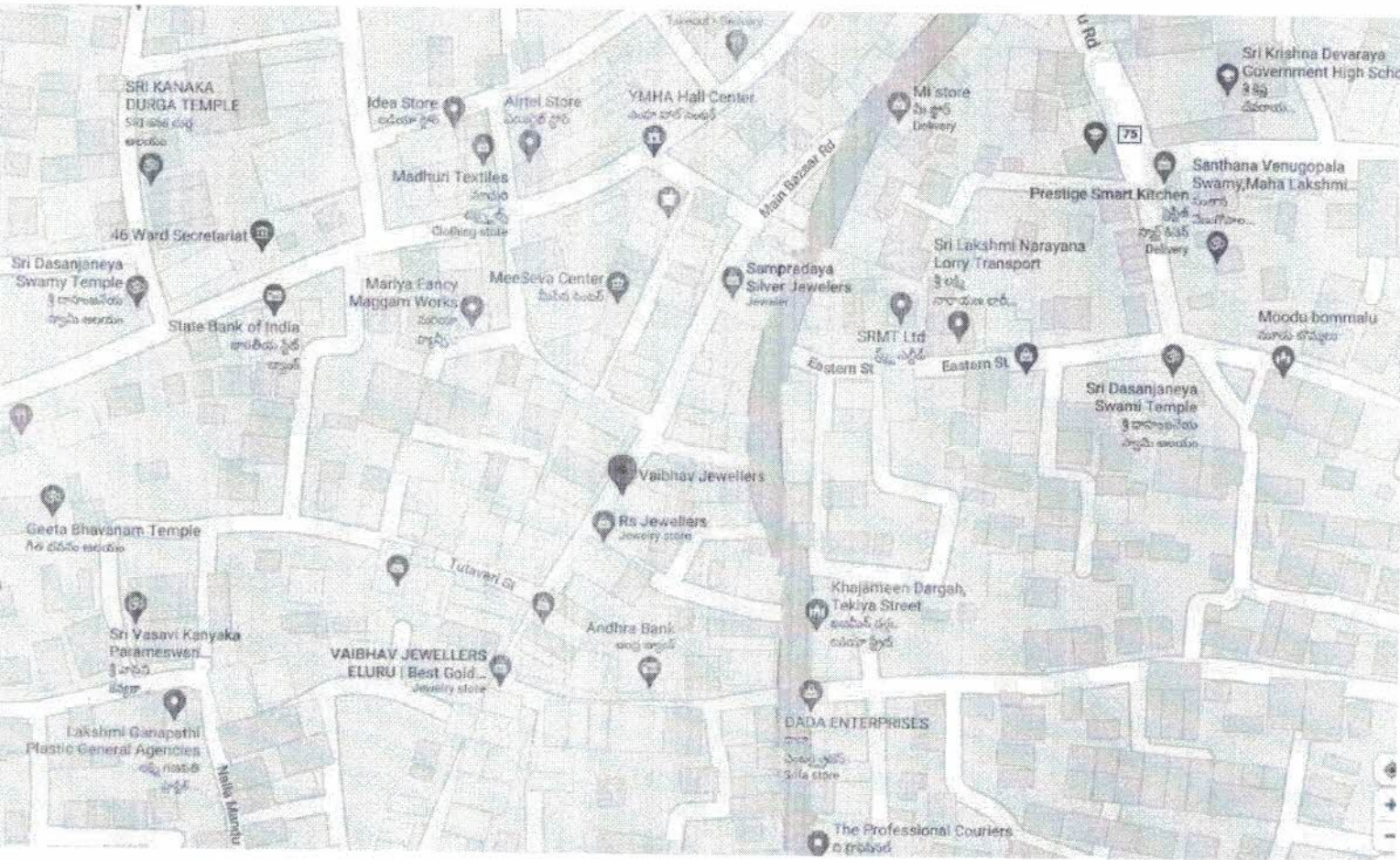
Name of the Member _____

Signature _____

Name of the Proxy holder _____

Signature _____

Route Map



Link of the route map: <https://goo.gl/maps/UvWCX6UqNjz7Wfbm9>

DIRECTOR'S REPORT

To

The Shareholders,

MONOJ VAIBHAV GEMS 'N' JEWELLERS PRIVATE LIMITED

Your Directors are pleased to present their 30th Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year 2018-19.

FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS:

The financial performance of your Company for the year ended 31st March, 2019 is summarized below:

(Rs. in Lakhs)

Particulars	Current Financial year 2018-19	Previous Financial year 2017-18
Revenue from Operations	1,24,743.13	1,32,042.49
Other Income	588.64	531.74
Profit/loss before Depreciation, Finance Costs, Exceptional items and tax Expense	8752.50	6,707.32
Less: Depreciation / Amortization / Impairment	714.70	653.40
Profit/loss before Finance Costs, Exceptional items and tax Expense	8,037.80	6,053.91
Less: Finance Costs	3,247.62	3,206.34
Profit/loss before Exceptional items and tax Expense	4,790.19	2,847.57
Add/ (Less): Exceptional items	0.00	0.00
Profit/loss before tax Expense	4,790.189	2,847.57
Less: Tax Expense (Current & Deferred)	1719.48	1025.92
Profit/loss for the year	3070.71	1821.65
Balance of Profit brought forward	11536.77	9715.12
Earning Per Equity share		
a. Basic	30.37	22.30
b. Diluted	30.37	22.30

1. STATE OF THE COMPANY'S AFFAIRS

The Company prepared its financial statements in accordance with applicable accounting principles in India, the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India to the extent applicable.

During the year under review, Total revenue from retail operations of the Company is Rs.1247.43 Crores Compared to Rs.1167.14 Crore i.e. an increase of 6% in retail operations. During the year, Company optimized profitability by concentrating on Retail sale of Jewellery excluding bullion sales from the core strategy. Thus, the total Revenue of the Company stood at Rs.1253.31Crore as compared to Rs.1325.74 Crores in the previous year. Profit before Tax for the year under review was Rs.47.90 Crores as compared to Rs.28.47 Crore reported last year. Net Profit of the Company for the year under review is Rs.30.70 Crore as compared to previous year Net Profit of Rs.18.21 Crores.

In order to compete in the changing market conditions, Company focused and is continuing to focus on its core business expansion viz., Jewellery business. A focused approach and unique strategy was adopted for the retail jewellery business with the objective of achieving higher growth and profitability. Various strategic initiatives such as optimization of cost, focused sales strategy, regular performance improvement initiatives contributed to an impressive performance by your Company both in terms of revenue and profitability.

2. GROUP CONCERN

- ☆ Vaibhav Sky Scapes Limited
- ☆ Vaibhav Jewellers Private Limited
- ☆ Vaibhav Goldfin Services Private Limited
- ☆ Vaibhav Green Energy Private Limited
- ☆ Vaibhav Hospitalities Private Limited
- ☆ Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited
- ☆ Vaibhav Golden Avenues Private Limited
- ☆ Vaibhav Sign Tower Private Limited
- ☆ Harshil Enterprises (India) Private Limited
- ☆ Emerge Enterprises India Private Limited

3. TRANSFER TO RESERVE

The Company used to plough-back the Profit generated during the year. Total amount available under Reserves and Surplus as on 31st March, 2019 is Rs. 174.10 Crores. With a view to conserve the resources of the Company, the Directors of the Company have not recommended any dividend for the financial year 2018-19.

4. DIVIDEND

No Dividend was declared for the current financial year 2018-19 due to conservation of profits by the company.

5. BOARD MEETINGS

During the year under review 11 (Eleven) Board Meetings were held and the maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

6. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) The directors had 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 and loss of the company for that period;
- (c) The directors had 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 had prepared the annual accounts on a going concern basis;
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. AUDITORS

Mr. KKS Swamy, Chartered Accountant, Eluru, having Membership No.022067 was appointed as Statutory Auditor of the Company for a period of 5 years in the 28th Annual General Meeting of the Company held on 29th September, 2017 upto the conclusion of 33rd Annual General Meeting.

8. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of 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 Form MGT 9 has been annexed as a part of this Board's report as **Annexure-I**.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy in consonance with Section 135 of the Companies Act, 2013 read with the rules framed there under duly indicating the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act, 2013.

A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as **Annexure – II**.

10. RELATED PARTY TRANSACTIONS

Related party transactions entered during the financial year under review are disclosed in Note No. 37 to the Financial Statements of the Company for the financial year ended 31st March, 2019.

The requisite details of the related party transactions are provided as **Annexure –III** to this report. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Board for approval/approval of shareholders, wherever required.

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

The information required under Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of The Companies (Accounts) Rules, 2014 are given hereunder:

1. Part A & B pertaining to conservation of energy and technology absorption are not applicable to the Company. However, the company makes its best efforts to conserve energy in a more efficient and effective manner. The company has not carried out any specific research and development activities. The company uses indigenous technology for its operations.
2. Foreign Exchange earnings and outflows:
 - i) Foreign Exchange Earnings: Rs. 3.27 Lakhs
 - ii) Foreign Exchange Outgo: Rs. 20.85 Lakhs

12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT:

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

13. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 & 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any loans, guarantees or investments as per the provision of **Section 186** of the Companies Act, 2013 during the financial year 2018-19.

15. MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31st March, 2019 to which the financial statements relates and the date of signing of this report.

16. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, Joint venture or Associate Companies.

18. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014, Company established a Vigil Mechanism System and adopted a Whistle Blower Policy for directors and employees to enable them to report their concerns about unethical behavior, actual or suspected fraud, malpractices, or violation of the Company's code of conduct without any fear and Ms. Sai Keerthana Grandhi, Director has been appointed as Vigilance Officer to oversee the Vigil Mechanism System in the Company.

19. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE

Your Company strongly supports the rights of all its employees to work in an environment that is free from all forms of harassment. The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidentalthereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to enquire into complaints of sexual harassment and recommend appropriate action. During the year under review, 1 Complaint received under theSexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the same was disposed-off in the same year.

20. RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. At present the company has not identified any element of risk which may threaten the existence of the company.

21. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to

take to address these deficiencies. The Company has appointed Internal Auditor to regularly carry out review of the internal control systems and procedures.

22. ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by all stakeholders including Shareholders, employees, customers, Bankers, vendors, Suppliers, investors, communities and other Business Associates.

Your Directors also wish to place on record their deep sense of gratitude and appreciation for all the employees at all levels for their hard work, cooperation and dedication, commitment and their contribution towards achieving the goals of the Company.

Your Directors also thank the Government of India, State Governments of Andhra Pradesh & Telangana, Governments of various States in India and concerned government departments/agencies for their co-operation.

By order of the Board of Directors
For Manoj Vaibhav Gems 'N' Jewellers Private Limited



G.B.M Ratna Kumari
Chairperson & Managing Director
DIN: 00492520

Place: Visakhapatnam
Date: 22nd August, 2019.

Annexure-I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U55101AP1989PTC009734
ii.	Registration Date	13/03/1989
iii.	Name of the Company	Manoj Vaibhav Gems 'N' Jewellers Private Limited
iv.	Category/Sub-Category of the Company	Category: Company limited by Shares Sub-Category: Non-govt. company
v.	Address of the Registered Office and contact details	7A-9-21, Main Bazar, Eluru, 534001, Andhra Pradesh, India. +91 8812 668664, Fax: +91 8812 668668, Website: www.vaibhavjewellers.com
vi.	Address of the Corporate Office and contact details	D. No. 47-10-19, Dwarakanagar, Visakhapatnam – 530 016, Andhra Pradesh, India. Ph: +91 891 6634567, Fax: +91 891 6637777, Website: www.vaibhavjewellers.com
vii.	Whether listed company	No
viii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Retail sale of Jewellery	47733	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1. NI	NIL	NA	NA	NA	NA

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

(i) Category-wise Share Holding

[illegible]

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	97,70,000	97,70,000	100%	-	97,70,000	97,70,000	100%	-

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bharata Mallika Ratna Kumari Grandhi	13,38,000	13.69	10	13,38,000	13.69	10	-
2	Bharata Mallika Ratna Kumari Grandhi(HUF)	73,37,600	75.10	-	73,37,600	75.10	-	-
3	Harshil Enterprises(India) Private Limited	10,64,400	10.89	10	10,64,400	10.89	10	-
4	Ms. Sai Keerthana Grandhi	10,000	0.10	-	10,000	0.10	-	-
5	Miss. Durga Krishna Sai Sarayu Grandhi	10,000	0.10	-	10,000	0.10	-	-
6	Mrs. Sai Sindhuri Grandhi	5,000	0.05	-	5,000	0.05	-	-
7	Mr. Chaluvadi Maruthi Venkatesh	5,000	0.05	-	5,000	0.05	-	-
	Total	97,70,000	100	20	97,70,000	100	20	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr.N o.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of	% of total	No. of	% of total

		shares	shares of the company	shares	shares of the company
1	At the beginning of the year	97,70,000	100%	97,70,000	100%
2	Date wise Increase / Decrease in Shareholding during the year specifying thereasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	No Change	No Change	No Change	No Change
3	At the End of the year	-	-	97,70,000	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – NOT APPLICABLE

3. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP Bharata Mallika Ratna Kumari Grandhi	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year:	13,38,000	13.69	13,38,000	13.69
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year:	-	-	13,38,000	13.69

Sr. No.	For Each of the Directors and KMP Sai Keerthana Grandhi	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year:	10,000	0.10	10,000	0.10
2	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year:	-	-	10,000	0.10

Sr. No.	For Each of the Directors and KMP Sai Sindhuri Grandhi	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year:	5,000	0.05	5,000	0.05
2	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year:	-	-	5,000	0.05

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	343,71,53,908	40,00,00,000	-	383,71,53,908
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20,41,430	-	-	20,41,430
Total(i+ii+iii)	343,91,95,338	40,00,00,000	-	383,91,95,338
Change in Indebtedness during the financial year				
- Addition	23,38,82,117	5,00,00,000	-	28,38,82,117
- Reduction	-	-	-	-
Net Change	23,38,82,117	5,00,00,000	-	28,38,82,117
Indebtedness at the end of the financial year				
i)Principal Amount	367,10,44,784	45,00,00,000	-	412,10,44,784

ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20,32,732	-	-	20,32,732
Total (i+ii+iii)	367,30,77,516	45,00,00,000	-	412,30,77,516

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

4. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		G.B.M. Ratna Kumari Managing Director	
1.	Gross salary		
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	1,62,77,304	1,62,77,304
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13,55,480	13,55,480
	(c) Profits in lieu of salary undersection17(3)Income - taxAct,1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as% of profit - Others, specify...	-	-
5.	Others, please specify	-	-
6.	Total(A)	1,76,32,784	1,76,32,784
	Ceiling as per the Act	NA	NA

Sr. No	Particulars of Remuneration	Name of the Director	Total Amount
		Sai Keerthana Grandhi (Executive Director)	
.			

Gross salary		
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,92,556	12,92,556
Value of perquisites u/s 17(2) Income-tax Act, 1961	1,57,040	1,57,040
Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission - as % of profit - Others, specify...	-	-
Others, please specify	-	-
Total(A)	14,49,596	14,49,596
Ceiling as per the Act	NA	NA

5. Remuneration to other directors (Non-executive Directors)

Particulars of Remuneration	Name of Director Sai Sindhuri Grandhi (Non-Executive Director)	Total Amount
<u>Independent Directors</u>		
Fee for attending board committee meetings	-	-
Commission	-	-
Others, please specify	-	-
Total(1)	-	-
<u>Other Non-Executive Directors</u>		
Fee for attending board committee meetings	-	-
Commission	-	-
Others, please specify	11,55,356	11,55,356
Total(2)	11,55,356	11,55,356
Total(B)=(1+2)	11,55,356	11,55,356

Total Managerial Remuneration	-	-
Overall Ceiling as per the Act	-	-

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		R. Satish CEO	B. Shiva Krishna Company Secretary	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,04,39,274	7,51,000	1,11,90,374
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,26,940	1,84,524	8,11,464
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
6.	Total	1,10,66,214	9,35,624	1,20,01,838

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2019.

For and on behalf of the Board of Directors



G.B.M. Ratna Kumari

G.B.M Ratna Kumari
Chairperson & Managing Director
DIN: 00492520

Place: Visakhapatnam

Date: 22nd August, 2019.

Annexure II

REPORT ON CSR ACTIVITIES

The CSR is being reported from 1st April, 2018 to 31st March, 2019.

A Brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

To actively contribute to the social and economic development of the communities in which we operate and in the process, build a better, sustainable way of life for the weaker sections of society, and to contribute effectively towards inclusive growth and raise the country's human development index. Our projects mainly focus on education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomizing a holistic approach to inclusive growth.

(A) CSR POLICY:

The Board of Directors adopted CSR Policy in line with the section 135 of the Companies Act, 2013.

Resources:

2% of the average net profits of the Company made during the three immediately preceding financial years; Surplus arising out of CSR activities.

Company will engage in the activities mentioned in the CSR Policy of the Company independently or in such manner that it will complement the work being done by local authorities wherever necessary in such a manner, that the work executed by Company will offer a multi fold benefit to the community.

Validity and Maintenance of CSR Policy:

- ☆ CSR Policy of the Company has been approved by the Board of Directors, at its meeting held on 12th June, 2014 and shall remain in force until modified by the Board.
- ☆ The CSR policy is maintained by the CSR Committee of the Board of Directors and reviewed by the Board of Directors at periodic intervals.

(B) Corporate Social Responsibility Committee

The Board constituted CSR Committee as per the provisions of the Companies Act, 2013 and entrusted the responsibility to comply with the provisions of said act. The composition of the Corporate Social Responsibility Committee is as under:

Name of the Director	Designation	Membership
Mrs. G.B.M Ratna Kumari	Managing Director	Chairperson
Mr. G.S.V. Amarendra	Director	Member
Ms. Sai Keerthana Grandhi	Director	Member

Responsibility of the CSR committee:

- ☆ Formulate the CSR policy and identify activities to be undertaken as per Schedule VII of the Companies Act 2013.
- ☆ Recommend CSR policy to the Board for its approval
- ☆ Recommend the CSR expenditure to be incurred.
- ☆ Regularly monitor the implementation of the CSR policy
- ☆ Change/modify the CSR policy as per requirement.

Average net profit of the company for last three financial years:
 Rs. 23,42,92,887/-

Prescribed CSR Expenditure (2% of the amount as above):

2% of Average net profit of the Company for last three financial years is Rs.46,85,858/-

(C) Details Of CSR spent during the Financial Year:

- (i) Total amount to be spent for the financial year:Rs.46,85,858/-
- (ii) Total amount spent during the financial year: Rs.19,48,720/-
- (iii) Amount unspent, if any,: Rs. 27,37,138/-
- (iv) Manner in which the amount spent during the financial year is detailed below:

S.No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programme (1) Direct expenditure on projects or programmes (2)Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1	Distribution of benches, chairs, fans, note books, school bags, tie, belt, ID cards, LED Lights, sport and other items, lunch boxes, projectors, etc. at Schools.	Education	(1) Local Area; (2) Andhra Pradesh: Visakhapatnam, Vizianagaram, Srikakulam, East Godavari; Telangana: Hyderabad	32,86,000	18,23,590	18,23,590	Direct
2	Promoting health care including preventive health care	Health Care	(1) Local Area; (2) Andhra Pradesh: Visakhapatnam, Vizianagaram, East Godavari; Telangana: Hyderabad	12,00,000	5,827	5,827	Direct
3	Skill enhancements, Trainings etc.	Livelihood Enhancement Projects	(1) Local Area; (2) Andhra Pradesh: Visakhapatnam,	50000	22,423	22,423	Direct
4	Eradication Hunger, Poverty, Malnutrition	poverty, hunger, malnutrition	(1) Local Area; (2) Andhra Pradesh: Visakhapatnam; Telangana: Hyderabad	50000	24,800	24,800	Direct
5	Village Development works	Rural development projects	(1) Local Area; (2) Andhra Pradesh: Visakhapatnam, Vizianagaram and Srikakulam	50000	24,900	24,900	Direct
6	Sanitary works	Sanitation	(1) Local Area; (2) Andhra Pradesh: Visakhapatnam; Telangana: Hyderabad	50000	47,180	47,180	Direct

Reasons for total amount of CSR not spent during the Financial Year: Despite the unprecedented challenges in the Jewellery sector, the Company was, in the financial year 2018-19, able to spend an amount of Rs.19.48 lacs on its identified programmes as against Rs.46.85 lacs which was required to be spent as per the provisions of the Companies Act, 2013. Company is committed to build its CSR capabilities on a sustainable basis and is also committed to gradually increase its CSR contribution in the coming years. The Company is putting its best efforts to identify certain areas which are most beneficial to the local population. The Company through its Board and CSR Committee is in the process of identifying new processes/areas to allocate the unspent CSR expenditure of Rs. 27.37 lacs to benefit the local area where it operates in coming years.



G.B.M. Ratna Kumari

G.B.M. Ratna Kumari
Chairperson, CSR Committee

R. Satish

R. Satish
CEO

Place: Visakhapatnam

Date: 22nd August, 2019.

Annexure III

DETAILS OF RELATED PARTY TRANSACTIONS

Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2019, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis are as follows:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Justification for entering into such contracts or arrangements or transactions
1	Bharata Mallika Ratna Kumari Grandhi (HUF) (Holds more than 25% of the Share Capital)	Sale of Jewellery	ongoing	Sale of Jewellery Rs.248,37,97,290/-	26.04.2018	NIL	The Company and Bharata Mallika Ratna Kumari Grandhi (HUF) are both in the same business; Transactions are entered in the ordinary course of business

	Rental Income	9 years; upto 31/03/2020	Rental Income Rs.7,93,500/-	26.04.2018	NIL	Part of the Company's premises leased to Bharata Mallika Ratna Kumari Grandhi (HUF) for its business purpose.
	Rental Expenses	9 years; upto 31/03/2020	Rental Expenses Rs.3,96,756/-	26.04.2018	NIL	A part of undivided Property of the Bharata Mallika Ratna Kumari Grandhi (HUF) being taken on lease to run company's business
	Royalty	ongoing	Royalty Rs. 1,20,000/-	26.04.2018	NIL	Royalty is received from Bharata Mallika Ratna Kumari Grandhi (HUF) for the use of Company's Trade Marks "Vaibhav Jewellers"
2	Sale of Jewellery/Bullion	ongoing	Sale of Jewellery/Bullion Rs. 1,54,40,354/-	26.04.2018	NIL	Transactions entered in the ordinary course of business
	Sale Discount	ongoing	Sale Discount of Rs. 6059/-	26.04.2018	NIL	
3	Rental expenses	5years; from 01/04/2018	Rental expenses Rs. 2,69,796/-	26.04.2018	NIL	A part of undivided Property of Mrs. Grandhi Krishna Kumaribeing taken on lease to run company's business
	Rental expenses	5years; from 01/04/2018	Rental expenses Rs. 2,69,796/-	26.04.2018	NIL	A part of undivided Property of Mrs. Grandhi Krishna Kumaribeing taken on lease to run company's business
	Rental expenses	9years upto 31/03/2020	Rental expenses Rs. 2,53,920/-	26.04.2018	NIL	A part of undivided Property of Mrs. Grandhi Krishna Kumaribeing taken on lease

		Purchases of Jewellery	ongoing	Purchase of Raw Material	26.04.2018	NIL	to run company's business
4	Vaibhav Jewellers Private Limited			Rs.2,06,65,589/-			Transactions entered in the ordinary course of business
5	Vaibhav Hotels and Leisures (Visakhapatnam) Private Limited	Rental Income	5 years; from 01/04/2018	Rental Income of Rs.60,00,000/-	26.04.2018	NIL	The Company leased its premises to Vaibhav Hotels and Leisures (Visakhapatnam) Private Limited to run its hotel business.

By order of the Board of Directors
For Manoj Vaibhav Gems 'N' Jewellers Private Limited



G.B.M Ratna Kumari

G.B.M Ratna Kumari
Chairperson & Managing Director
DIN: 00492520

Place: Visakhapatnam
Date: 22nd August, 2019.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Gems and Jewellery - Industry Overview

Global Gems & Jewellery Industry

Gold is a precious metal. It has emotional, cultural and financial value and different people across the globe buy gold for different reasons, often influenced by a range of national socio-cultural factors, local market conditions and wider macro-economic drivers.

The gems & jewellery market comprises diamond studded jewellery, gold jewellery, silver jewellery and precious and semi-precious gemstones and its jewellery. United States (US) and Japan primarily are markets for diamond studded jewellery, while China, India, Turkey and Middle East have traditionally displayed preference for gold jewellery, although the demand for diamond studded jewellery from these markets too have grown over the last decade.

Gold demand in 2018 reached 4,345.1t, up from 4,159.9t in 2017 and in line with the five-year average of 4,347.5t. A multi-decade high in central bank buying (651.5t) drove growth. Demand was bumped up in Q4 by 112.4t of Exchange-Traded Fund(ETF) inflows, but annual inflows into these products (of 68.9t) were 67% lower than 2017. Investment in bars and coins accelerated in the second half of the year, up 4% to 1,090.2t in 2018. Full year jewellery demand was steady at 2,200t. Gold used in technology climbed marginally to 334.6t in 2018, although growth ran out of steam in Q4. Annual gold supply firmed slightly to 4,490.2t, with mine production inching up to a new high of 3,364.9t.

Annual jewellery demand was virtually unmoved: down just 1t from 2017. Gains in China, the US and Russia broadly offset sharp losses in the Middle East. Indian demand was stable at 598t (-4t).

(Source: World Gold Council-Gold Demand Trends)

Indian Gems and Jewellery Industry

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent of the country's GDP and 15 per cent to India's total merchandise exports. It also employs over 4.64 million workers and is expected to employ 8.23 million by 2022. One of the fastest growing sectors, it is planned to increase export 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 75 per cent of the world's polished diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). 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.

Market size

Gold demand in India rose to 760.40 tonnes between January and December 2018. India's gems and jewellery exports stood at around US\$ 4.99 billion between April, 2019 and May 2019. During the same period, exports of cut and polished diamonds stood at US\$ 3.52 billion, thereby contributing about 76.96 per cent of the total gems and jewellery exports in value terms. Exports of gold coins and medallions stood at around US\$ 686.51 million and silver jewellery exports stood at around US\$ 765.98 million between April, 2018 and March, 2019. The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 75 billion as of 2017 and is expected to reach US\$ 100 billion by 2025. It contributes 29 per cent to the global jewellery consumption.

Investments/Developments

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewellers are able to fulfil their changing demands better than the local unorganized players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 – March 2019 were US\$ 1.16 billion, according to Department for Promotion of Industry and Internal Trade (DPIIT).

Government Initiatives

- **GST:** The Government of India has levied three per cent GST on gold, gold jewellery, silver jewellery and processed diamonds and 0.25 per cent on rough diamonds. Gems and Jewellery exporters are exempted from paying three per cent Integrated Goods and Services Tax to banks from January 01, 2019. As per Union Budget 2019-20, the GST rate has been reduced from 18 per cent to 5 per cent (5 per cent without Input Tax Credit) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc.
- **Tax:** Under Union Interim Budget 2019-20, the Government of India provided a tax rebate to the middle class and farmers, which is expected to boost demand for jewellery in the country. The Government of India's proposal to cut corporate tax rates to 25 per cent for micro, small and medium enterprises (having annual turnover up to Rs.50 crore (USD 7.5 million) will benefit many gems and jewellery exporters from MSME category.
- **FDI:** The Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route.
- **BIS Hallmarking Scheme:** The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the Jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery. The Government of India is considering making hallmarking of gold jewellery sold mandatory.
- **Sovereign Gold Bond Scheme:** The Government of India launched the Sovereign Gold Bond Scheme. This scheme enables the Reserve Bank of India to issue gold bonds denominated in grams of gold to individuals in consultation with Ministry of Finance. This scheme provides an alternative to owning physical gold. It is aimed at keeping a check on imports of Gold.
- **Jewellery Park:** A jewellery park worth Rs.50 crore (USD 7.8 million) is to be set up in Mumbai by the Government of India where local handmade workers and factories will be relocated to develop their trade, improve their work environment and standard of living. The Gems and Jewellery Export Promotion Council (GJEPC) signed a Memorandum of Understanding with Maharashtra Industrial Development Corporation (MIDC) to build India's largest jewellery park at Ghansoli in Navi Mumbai on a 25 acres land with about more than 5000 jewellery units of various sizes ranging from 500-10,000 square feet. The overall investment of Rs. 13,500 crore (USD 2.09 billion).
- **Common Facility Centres(CFCs):** The Government of India has inaugurated two Common Facility centres one at Visnagar and second one at Palanpur. Gems & Jewellery Export Promotion Council (GJEPC) has plans to open two more CFCs at Amreli and Ahmedabad. GJEPC also plans to set up a CFC at Thrissur, Kerala. Thrissur being a major jewellery cluster it would be suitable to set up a CFC to encourage in production and quality of manufacturing jewellery by creating awareness to modern machines to

small units in and around Thrissur. A total of 200 small and medium manufacturers will receive access to the CFCs.

Road Ahead

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organised market and are opening opportunities to grow. Increasing penetration of organised players provides variety in terms of products and designs. Online sales are expected to account for 1-2 per cent of the fine jewellery segment by 2021-22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

(Source:www.iebf.org)

2. Company Overview

MANOJ VAIBHAV GEMS 'N' JEWELLERS PRIVATE LIMITED ("MVGJPL") is a privately held, entrepreneurial marvel from Vishakhapatnam. "MVGJPL" is one of the reputed Companies, established in 1989. The group's business is primarily super headed by its jewellery division. The Company offers a very wide range of products in Gold and Jewellery and is a household name in the states of Andhra Pradesh and Telangana. The Company has kept its values in terms of Best Service to Clients, Business Ethics and Caring for Society, Employee Empowerment, and Considering the Organization as a Family. Presently company is running a retail gems and Jewellery business with 11 showrooms across the states of Andhra Pradesh and Telangana.

MVGJPL is one among the pioneer of the Jewellery branding and retailing revolution in the state of Andhra Pradesh and Telangana, is currently one of the fastest growing Jewellery businesses across India and abroad.

3. Product Basket

The Company's product portfolio comprises Plain Gold, Ear Rings, Pendants, Rings, Vaddanam, Vanki cum Bajubandand, Bracelets, Necklaces, Bangles and Gold articles, Enamel, Filigri, Casting, Fine Jewellery including Antique, Kundan, Jadau, Junagadh, Polki, Ruby Emerald, Pearl Jewellery, Fusion Jewellery and designer Diamond jewellery, and Platinum jewellery including the following:

- ☆ Handcrafted and hallmarked plain Gold Jewellery and Enameled Jewellery.
- ☆ Gem-studded Gold Jewellery (studded with diamonds, pearls, rubies, emeralds, sapphires, among others and semi-precious stones such as garnet, cubic zirconium, among others).
- ☆ Diversified product catalogue comprising plain Gold sets, Gold Meenakari work sets, JadauKundansets, Gold Mumbai-Kerala-Kolkata- Antique sets, Gold and studded Bangles, Necklace Sets, Polki-Chakri sets and Italian fusion Jewellery, Platinum among others.

- ☆ In silver wear and jewellery, silver items, 925 Sterling silver with wide range of silver ware including dinner sets, tumblers, plates, astalakshmi Chembulu, both in plain and Antique workmanship.

4. Enduring Strengths

- ☆ **Experience:** The Company leveraged the experience of over 25 years of the promoter's family in Jewellery business to grow its presence, transforming it from a family-run business to a professionally run organization. Four generations of business lineage, knowledge & expertise in this domain has been a key to the group's success.
- ☆ **Reputation:** The Company emerged as Customer Preferred Jewellery Company within two and half decades of existence. Vaibhav is a name that has earned the trust of millions of consumers by capturing their imagination when it comes to their jewelry needs. Vaibhav has created new benchmarks – be it in providing choice, service or quality – by building a deep relation with its customers and surprising them every time by surpassing their expectations on all counts.
- ☆ **Strategic Locations:** The Company operates from different locations namely, Visakhapatnam, Kakinada, Gajuwaka, Parvathipuram, Rajahmundry, Bobbili, Ankapalle and Gopalapatnam in the State of Andhra Pradesh and Dilsukhnagar and A.S Rao Nagar at Hyderabad, Telangana State with few more are in the pipeline.
- ☆ **Designing Capabilities:** Company has wide variety of jewellery designed/manufactured through karigars/artisans. The Company provides exclusive customized Jewellery. Our designs find inspiration from a variety of everyday objects that we all often take for granted. For, we at Vaibhav believe that design – whether it is the jewellery itself or indeed, the experience as a whole – is what differentiates the pedestrian from the extraordinary. For this reason, the theme of VAIBHAV is.....**“Relationship, By Design”**.
- ☆ **Relationships:** The Company enjoys long-term relationships with major gold suppliers, enhancing raw material security and bulk purchase economies. Around 70% of the Company's gold jewellery suppliers are over ten years old.
- ☆ **Brands:** The Company's Jewellery products are BIS Hall marked and marketed and traded under the registered brand name **VAIBHAV JEWELLERS** among others.
- ☆ **Cash Surplus:** The Company has Reserves & surplus of Rs. 174.10 Crores as on 31st March 2019.

5. Future plan of action:

- ☆ Plans to develop new quality products with unique designs and upgrade existing range of jewellery in order to meet new market trends and ensure local taste and meeting their requirements.
- ☆ Achieving higher sales growth through e-commerce platforms
- ☆ Add new suppliers and gold smith to the basket by retaining existing supply base.
- ☆ Expansion of jewellery business across south India.

Future benefits are expected to flow in from initiatives undertaken by the Company as under:

- ☆ High growth in retail segment.
- ☆ Direct impact on margins by giving access to retailers in target market.
- ☆ Expansion of the Business by setting up of new showrooms across south India.
- ☆ Goodwill earning by maintaining the consistency providing high quality products.

6. Financial Performance

The Company prepared its financial statements in accordance with applicable accounting principles in India, the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India to the extent applicable.

The details of the financial performance of the Company are appearing in the Balance Sheet, Statement of Profit & Loss, notes there on and other Financial Disclosures.

Financial highlights for the year ended on 31st March, 2019 are given in the Directors Report.

7. Internal Control System and their adequacy

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. The Company also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

Mr. KKS Swamy, Chartered Accountant, the Statutory Auditor of the Company has audited the Financial Statements included in this Annual Report and have issued a report on the Internal Control over financial reporting (as defined in section 143 of the Companies Act, 2013). The Company has appointed M/s. VNSS & Associates, Chartered Accountants, Hyderabad to oversee and carry out Internal Audits and provide periodical internal reports to the management.

8. Material Development in Human Resource/Industrial relations front including number of peoples employed



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. As on 31st March, 2019 the Company had more than 1000+ full time employees.


Intellectual Properties- Applied and/or Registered:

Business/Brand	Product/End Use	Status
 VAIBHAV EMPIRE	Real Estate Service, Real Estate Agencies, Real Estate Management, Leasing of Real Estate, Rental of offices, apartments, flats.	®
	Jewellery, Precious Stones, Watch Chains, Gold & Silver Ware, Jewell Cases, Goods made of precious Metal, Alloys and Precious Stones. Retail Distribution Of Jewellery, Precious Stones, Goods Made Of Precious Metals, Stones & Alloys, Retail Stores, Discount Store Services.	®
	Retail Distribution of Jewellery, Precious Stones, Goods Made of Precious Metals, Stones & Alloys, Retail Stores, Discount Store Service.	®
VAIBHAV ವೈಭವ್	Real Estate Service, Real Estate Agencies, Real Estate Management, Leasing of Real Estate, Rental of offices, apartments, flats. Retail Distribution Of Jewellery, Precious Stones, Goods Made Of Precious Metals, Stones & Alloys, Retail Stores, Discount Store	®

	Services.	
VAIBHAV ವೈಭವ್	Jewellery, Precious Stones, Watch Chains, Gold & Silver Ware, Jewell Cases, and Goods made of precious Metal, Alloys and Precious Stones.	®
	<p>Precious metals and their alloys and goods in precious metals or coated therewith, Gold, Silver or Platinum Jewellery, Precious or semi-precious stones, Gem, Diamond Jewellery, Clocks, Watches, Jewellery, Cutlery and their components and accessories. Silver utensils, Curios, Antiques etc.</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins.</p>	®
	<p>Precious metals and their alloys and goods in precious metals or coated therewith, Gold, Platinum or Silver Jewellery, Precious, semi-precious stones, Gem, Diamond Jewellery, Watches, Jewellery, and their components and accessories etc.</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins.</p>	®
V KIDS	Precious metals and their alloys and goods in precious metals or coated therewith, Gold, Platinum or Silver Jewellery, Precious, semi-precious stones, Gem, Diamond Jewellery, Watches, Jewellery, and their components and accessories etc.	®

	Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins.	
	<p>Precious metals and their alloys and goods in precious metals or coated therewith, Gold, Platinum or Silver Jewellery, Precious, semi-precious stones, Gem, Diamond Jewellery, Watches, Jewellery, and their components and accessories etc.</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins.</p>	T.M
	<p>Precious metals and their alloys and goods in precious metals or coated therewith, Gold, Platinum or Silver Jewellery, Precious, semi-precious stones, Gem, Diamond Jewellery, Watches, Jewellery, and their components and accessories etc.</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal</p>	T.M

	Trophies, Commemorative Coins.	
	<p>Precious metals and their alloys and goods in precious metals or coated therewith, Gold, Platinum or Silver Jewellery, Precious, semi-precious stones, Gem, Diamond Jewellery, Watches, Jewellery, and their components and accessories etc.</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins.</p>	T.M
	<p>Gold and Silver ornaments, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments For Kids, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins.</p>	®
	<p>Gold and Silver ornaments, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels,</p>	®

	<p>processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins</p> <p>Wholesale, Retail Store Featuring Purchase And Sale Of Gold And Silver Ornaments, Precious Metals And Their Alloys, Namely, Gold, Silver, Platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, Gold And Silver Coins, Gold And Silver Bars, Precious And Semi-Precious Minerals, Precious And Semi-Precious Stones, Gem Stones; Precious Jewels, Processed Or Semi-Processed Precious Metals, Medallions, Bullions, Precious Metal Trophies, Commemorative Coins</p>	
	<p>Gold and Silver ornaments, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins</p>	®
VAIBHAV VISMAYA	<p>Gold and Silver ornaments for kids, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p> <p>Wholesale, retail store featuring purchase and sale of Gold and Silver ornaments for kids, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p>	®
VIKESHA	<p>Gold and Silver ornaments for kids, Precious metals and their alloys, namely, gold, silver, platinum,</p>	

	<p>Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p> <p>Wholesale, retail store featuring purchase and sale of Gold and Silver ornaments for kids, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p>	T.M
	<p>Gold and Silver ornaments for kids, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p> <p>Wholesale, retail store featuring purchase and sale of Gold and Silver ornaments for kids, Precious metals and their alloys, namely, gold, silver, platinum, Diamond, Rhodium; White Gold, Sterling Silver, Platinum Sterling, gold and silver coins, gold and silver bars, precious and semi-precious minerals, precious and semi-precious stones, gem stones; precious jewels, processed or semi-processed precious metals, medallions, bullions, precious metal trophies, commemorative coins.</p>	®

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Your Company has based its principles of Corporate Governance philosophy on transparency, accountability, values and ethics, which forms an integral part of the Management's initiative in its ongoing pursuit towards achieving excellence, growth and value creation. Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

Your Company has committed to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to Organizational Excellence, Sustainability, Human Resources Development and health of its employees and of the neighboring community etc. These actions have become an integral part of your Company's operating plans for performing social responsibilities.

Your company is committed towards transparency in all its dealings and places high emphasis on business principles and believes the good corporate Governance goes beyond working results and financial priority and is pre-requisite for attainment of excellent performance. The Company's business practices are based on the conviction that good business underpins good ethics.

2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. The Board composition is in conformity with the Companies Act, 2013. All Directors possess relevant qualifications and experience in general Corporate Management, Jewellery Business, Finance, Banking and other allied fields, which enable them to effectively contribute to the Company in their capacity as Directors.

Composition

The composition of and the category of Directors on the Board of the Company are as under:

Category	Name	Designation
Promoter	Mrs. G.B.M. Ratna Kumari	Chairperson & Managing Director
Promoter	Mr. G.S.V Amarendra	Director
Promoter	Mrs. Sai Sindhuri Grandhi	Director
Promoter	Ms. Sai Keerthana Grandhi	Director

There was no change in the composition of the board during the financial year under review.

3. Conduct of Board Proceedings

The day to day matters concerning the business is conducted regularly. The Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The gap between two Board Meetings not exceeded 120 days. The Board is apprised of all the material information relating to the affairs of the Company and the agenda together with all relevant papers sent in advance to enable the Board to discharge and take informed decisions.

During the year under review 11 Board Meetings were held on 26th April, 2018, 23rd May, 2018, 25th June, 2018, 27th July, 2018, 30th July, 2018, 21st August, 2018, 06th September, 2018, 13th October, 2018, 06th December, 2018, 01st March, 2019 and 28th March, 2019.

The table below sets out details of name, categories of Directors, their attendance at each Board Meeting held during the year.

Name of the Director	Designation	No. of Board Meetings held during the year 2018-19	No. of Meetings Attended
Mrs. G.B.M RatnaKumari	Chairperson & Managing Director	11	11
Mr.G.S.VAmarendra	Director	11	10
Ms. G.Sai Sindhuri	Director	11	3
Ms. G.Sai Keerthana	Director	11	10

4. General Body Meetings

Date, time and venue of last three years Annual General Meetings

Year	Date	Time	Venue
2015-16	30 th September, 2016	09:30 a.m.	Registered office: D. No. 7A-9-21, Main Bazaar, Eluru, 534 001, Andhra Pradesh, India.
2016-17	29 th September, 2017	09.00 a.m.	Registered office: D. No. 7A-9-21, Main Bazaar, Eluru, 534 001, Andhra Pradesh, India.
2017-18	30 th September, 2018	09.00 a.m.	Registered office: D. No. 7A-9-21, Main Bazaar, Eluru, 534 001, Andhra Pradesh, India.

5. Disclosures

The particulars of related party transaction as per the Accounting Standard (AS- 18) are set out in the Notes to Accounts (Note No. 37) forming part of the Annual Report. None of the transaction with any related party was in conflict with the interest of the Company.

6. General Shareholders Information

Annual General Meeting

Day, Date & Time: Monday, 30th September, 2019 at 4:00 p.m.

Venue: Registered office: D. No. 7A-9-21, Main Bazaar, Eluru, 534001, Andhra Pradesh, India.

Financial Year

The Financial Year of the Company is from 1st April, 2018 to 31st March, 2019.

Corporate office & Address for communication

Mr. Bandari Shiva Krishna, Company Secretary, Manoj Vaibhav Gems 'N' Jewellers Private Limited, Door No: 47-10-19, 2nd Lane, 2nd Floor, Dwarakanagar, Visakhapatnam - 530016, Andhra Pradesh, India.

Date: 22nd August, 2019.
Place: Visakhapatnam



For and on behalf of the Board

A handwritten signature in blue ink, appearing to read "G.B.M Ratna Kumari".

G.B.M Ratna Kumari
Chairperson & Managing Director
DIN: 00492520



Date.....

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MANOJ VAIBHAV GEMS 'N' JEWELLERS PRIVATE LIMITED

Report on the Audit of the Financial Statements:

Opinion

I have audited the Financial Statements of **Manoj Vaibhav Gems 'N' Jewelers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss and the Statement of Cash Flows for the year 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 my opinion and to the best of our information and according to the explanations given to me, 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and its cash flows for the year ended on that date.

Basis for Opinion

I have conducted my audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am 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 my audit of the financial statements under the provisions of the Act and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Responsibility of Management for 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 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



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.

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 concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- i. Identify and assess the risks of material misstatement 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to



the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on my audit I report that:

- a. I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- b. In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "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, as amended in my opinion and to the best of my information and according to the explanations given to me:
 - 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 derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



KKS Swamy

M.No: 022067

Place: Viskhapatnam

Date : 17-06-2019



Annexure A to the Independent Auditor's Report

The annexure referred in my Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2019. I report that:

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As per the information and explanations given to me, the fixed assets of the Company have been physically verified by the management in accordance with regular programme of verification which, in my opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to me, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.
- ii) As explained to us, inventories other than stock lying with third parties (which have substantially been confirmed) were physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- iii)
 - a) As informed to me, the Company has not granted any loans to parties covered in the register maintained under section 189 of the Act.
 - b) Accordingly, the provisions of Clause 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.
- iv) According to the information and explanations given to me, the Company has not given any loans, made any investments and provided any guarantees and securities to parties specified in Section 185 and 186 of the Act during the year. Therefore, the provisions of Clause 3 (iv) of the Order are not applicable to the Company.
- v) According to the information and explanations given to me, the Company has not accepted deposits from the public during the year. Therefore, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act in respect of the Company's operations. Therefore, the provisions of Clause 3 (vi) of the Order are not applicable to the Company.



vii)

- a) According to the information and explanations given to me and on the basis of my examination of records of the Company, the Company is generally regular in depositing all undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and any other material statutory dues with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, cess and any other material statutory dues were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to me, the following dues of service tax have not been deposited by the Company on account of disputes as given below:

Nature of Dues	Period to which the dispute relates	Amount in ₹	Forum where the dispute is pending
Service tax (penalty)	01.06.2007 to 31.03.2010	26,11,310	Appellate authority- CESTAT, Bangalore

viii) According to the records of the Company examined by me and the information and explanations given to me, the Company has not defaulted in repayment of dues to banks as at the balance sheet date.

ix) According to the information and explanations given to me and based on my examination of the records of the company, the Company has not raised monies by way of initial public offer or further public offer (including debenture instruments) but has availed only vehicle loans during the year and the same were applied for acquiring of vehicles.

x) According to the information and explanations given to me, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of my audit.

xi) As the Company is a private limited company under Section 2 (68) of the Act, compliances with respect to payment of managerial remuneration under the Act is not applicable to the Company. Accordingly, the provisions of Clause 3 (xi) of the Order are not applicable to the Company.

xii) In my opinion and according to the information and explanations given to me, the Company is a not a Nidhi Company under Section 406 (1) of the Act. Accordingly, the provisions of Clause 3 (xii) of the Order are not applicable to the Company.



xiii) According to the information and explanations given to me and based on my examination of the records of the Company, section 177 of Companies Act, 2013 is not applicable to the Company and transactions with related parties are in compliance with section 188 of the Companies Act, 2013 where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to me and based on my 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. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.

xv) According to the information and explanations given to me and based on my examination of the records of the company, the Company has not entered into any non-cash transactions with it's directors or persons connected with him. Accordingly, the provisions of Clause 3 (xv) of the Order are not applicable to the Company.

xvi) According to the information and explanations given to me and based on my examination of the records of the company, the Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.



KKS Swamy

M.No: 022067

Place: Viskhapatnam

Date: 17-06-2019



Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of Manoj Vaibhav Gems 'N' Jewellers Private Limited ("the Company") as of 31 March 2019 in conjunction with my 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 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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 my opinion, to the best of my information and according to explanations given to me, 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 2019, based on the criteria for internal control over financial reporting 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.

KKS Swamy

M.No: 022067

Place: Viskhapatnam

Date : 17-06-2019



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Balance Sheet as at 31st March 2019

(Amount in ₹)

Particulars	Note No.	As at	
		31st March 2019	31st March 2018
I) Equity and Liabilities			
1) Shareholders' funds			
(a) Share Capital	3	9,77,00,000	9,77,00,000
(b) Reserves and Surplus	4	1,74,09,98,012	1,43,39,26,886
2) Non-current liabilities			
(a) Long-term borrowings	5	45,32,69,374	41,18,09,029
(b) Deferred tax liabilities (Net)	6	58,63,788	1,15,15,655
(c) Other Long-term Liabilities	7	75,00,000	75,00,000
(d) Long-term Provisions	8	2,48,18,915	1,32,99,173
3) Current Liabilities			
(a) Short term borrowings	9	3,65,92,33,638	3,40,52,40,171
(b) Trade payables	10	-	-
- Dues to micro and small enterprises		-	-
- Dues to creditors other than micro and small enterprises		57,31,86,137	48,08,58,516
(d) Other current liabilities	11	18,23,73,540	19,43,10,312
(e) Short term provisions	12	9,89,33,419	5,57,06,026
TOTAL		6,84,38,76,823	6,11,18,65,768
II) Assets			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	59,97,42,467	47,92,15,387
(ii) Intangible assets	14	37,59,132	45,47,505
(iii) Capital work in progress		12,71,56,652	11,80,70,276
(b) Non-current investments	15	9,22,35,624	9,26,17,484
(c) Long-term loans and advances	16	5,99,25,084	7,01,83,087
(d) Other non-current assets	17	8,53,22,369	2,17,47,806
2) Current assets			
(a) Inventories	18	5,15,41,07,664	4,85,68,03,577
(b) Trade receivables	19	21,52,43,404	2,79,80,358
(c) Cash and Bank balances	20	41,42,00,554	39,76,05,942
(d) Short-term loans and advances	21	8,51,71,329	3,98,88,472
(e) Other current assets	22	70,12,545	32,05,874
TOTAL		6,84,38,76,823	6,11,18,65,768
Significant accounting policies	2		
Notes forming part of the financial statements	32-40		

For and on behalf of the Board of Directors

K.K.S. Swamy
Chartered Accountant
Membership No. : 022067

GBM Ratna Kumari
Managing Director

DIN: 00492520

R. Satish
Chief Executive Officer

GSV Amarendra
Director

DIN: 01521848

B. Shiva Krishna
Company Secretary

Place : Visakhapatnam

Date : 17-06-2019




Manoj Vaibhav Gems 'N' Jewellers Private Limited
Statement of Profit and Loss for the year ended 31st March 2019


(Amount in ₹)

Particulars	Note No.	For the year period ended	
		31st March 2019	31st March 2018
I) Revenue from operations	23		
(a) Retail operations		12,47,43,13,140	11,67,14,08,207
(b) Bullion operations		-	1,53,28,40,438
II) Other Income	24	5,88,64,194	5,31,73,747
III) Total Revenue (I + II)		12,53,31,77,334	13,25,74,22,392
IV) Expenses			
(a) Cost of raw material consumed	25	5,22,47,29,559	7,28,60,81,907
(b) Purchases of stock-in-trade		5,58,88,21,851	5,06,53,13,353
(c) Changes in inventories of finished goods, work-in-progress and	26	-25,80,19,006	-96,61,11,256
(d) Employee benefits expense	27	36,88,92,985	31,55,39,666
(d) Finance costs	28	32,47,61,528	32,06,33,724
(e) Depreciation and amortization expense	29	7,14,69,651	6,53,40,160
(f) Other expenses	30	73,35,01,832	88,58,67,836
Total Expenses		12,05,41,58,401	12,97,26,65,389
V) Profit before tax (III - IV)		47,90,18,933	28,47,57,002
Extraordinary items	30	-	-
Profit before tax		47,90,18,933	28,47,57,002
VI) Tax expense:			
(a) Current tax		17,67,99,000	11,28,49,000
(b) Deferred Tax		-56,51,867	-1,42,90,474
(c) Short/ (Excess) provision of earlier years		8,00,674	40,33,855
		17,19,47,807	10,25,92,381
VII) Profit after tax for the year (V - VI)		30,70,71,126	18,21,64,621
VIII) Discontinuing Operations:			
(a) Gain/ (Loss) from discontinuing operations (before tax)		-	-
(b) Tax expense of discontinuing operations		-	-
(c) Gain / (Loss) from discontinuing operations (after tax) (a-b)		-	-
IX) Profit/(Loss) for the period		30,70,71,126	18,21,64,621
Earnings per equity share	31		
(a) Basic		30.37	22.30
(b) Diluted		30.37	22.30
Significant accounting policies	2		
Notes forming part of the financial statements	32-40		

As per our report of even date


For and on behalf of the Board of Directors


 K.K.S. Swamy
 Chartered Accountant
 Membership No. : 022067


 GBM Ratna Kumari
 Managing Director
 DIN: 00492520


 GSV Amarendra
 Director
 DIN: 01521848


 S. Satish
 Chief Executive Officer


 B. Shiva Krishna
 Company Secretary

Place : Visakhapatnam
 Date : 17-06-2019



Cash Flow Statement for the year ended 31st March 2019

(Amount in ₹)

Particulars	For the Period ended	
	31st March 2019	31st March 2018
A) Net Cash Flows from Operating Activities		
Net profit before tax and extraordinary items	47,90,18,933	28,47,57,002
Adjustments for :		
Depreciation	7,14,69,651	6,53,40,160
Unrealized foreign exchange (gain)/ loss	-2,69,03,927	1,38,97,229
(Profit)/ Loss on sale of fixed assets	-1,20,618	-
Gain on disposal of Subsidiary company	-	-1,70,44,181
Interest expense	31,61,56,750	31,03,00,491
Interest income	-2,44,59,730	-90,41,184
Dividend from Mutual fund	-452	-521
Operating profit before working capital changes	81,51,60,606	64,82,08,996
Adjustments for working capital changes		
Long-term loans and advances	-31,65,686	-58,43,038
Other non-current assets	-6,35,74,563	-2,17,47,806
Inventories	-29,73,04,086	-88,33,72,892
Trade Receivables	-18,72,63,046	1,67,64,659
Short-term Loans and Advances	-3,12,17,310	-3,83,899
Other Current assets	-42,23,029	-65,000
Other Long-term Liabilities	-	-50,00,000
Long-term Provisions	1,15,19,742	38,48,524
Trade payables	9,23,27,621	-59,16,615
Other current liabilities	-13,96,089	3,22,83,702
Short term provisions	33,11,913	2,82,535
Cash generated from operations	33,41,76,073	-22,09,40,834
Income tax paid	-15,49,65,196	-13,78,22,610.09
Cash Flow Before Extra Ordinary Items	17,92,10,876	-35,87,63,444
Extra Ordinary Items	-	-
Net Cash flows from/(used in) operating activities	17,92,10,876	-35,87,63,444
B) Net Cash flows from Investing Activities		
Sale/ (Purchase) of Fixed Assets/CWIP (incl capital advances)	-19,98,83,224	-18,26,94,753
(Increase)/ Decrease in Investments (net)	3,82,312	13,26,65,578
(Increase)/ Decrease in Deposits	9,05,66,002	6,80,22,666
Interest received	2,42,93,823	82,51,102
Net Cash flow from/(used in) Investing Activities	-8,46,41,087	2,62,44,593
C) Net Cash flows from Financing Activities		
Proceeds/ (repayment) from or of Long-term borrowings	4,14,60,345	7,68,49,161
Increase/ (Decrease) in Short-term borrowings	28,06,71,344	65,34,92,244
Interest paid	-30,95,40,679	-29,04,10,060
Net Cash Flow from/(used in) Financing Activities	1,25,91,010	43,99,31,345
Net change in cash and cash equivalents (A + B + C)	10,71,60,799	10,74,12,494
Cash and Cash equivalents at the beginning of the year	16,72,37,289	5,98,28,477
Effect of exchange differences on cash and cash equivalents	-185	-3,682
Cash and Cash equivalents at the ending of the year	27,43,97,904	16,72,37,290
Cash and Cash equivalents at the ending of the year	27,43,97,903	16,72,37,289

As per our report of even date

K.K.S. Swamy
Chartered Accountant
Membership No. : 022067

For and on behalf of the Board of Directors

GBM Ratna Kumari
Managing Director
DIN: 00492520

R. Satish
Chief Executive Officer

G.S.V. Amarendra
Director
DIN: 01521848

B. Shiva Krishna
Company Secretary

Place : Visakhapatnam

Date : 17-06-2019



Manoj Vaibhav Gems 'N' Jewellers Private Limited

1. General Information:

M/s. Manoj Vaibhav Gems 'N' Jewellers Private Limited ("the Company") (CIN:U55101AP1989PTC009734) is engaged primarily in the business of jewellery and has property and investment segments. The Company is running its jewellery business under the name and style of "Vaibhav Jewellers", being registered trade mark. It has the credentials of ISO 9001:2008.

2. Summary of Significant accounting policies

2.1 Basis of preparation of Financial Statements

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

The financial statements have been prepared under historical cost convention on accrual basis (unless otherwise stated).

2.2 Use of Estimates

The preparation of financial statements requires the management of the Company to make certain estimates and assumptions that affect the reported amounts in the financial statements and notes thereto. Difference between the actual results and estimates are recognized in the period in which results are known materialized.

2.3 Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost includes capital cost, freight, duties, taxes and other incidental expenses incurred during the construction/ Installation stage attributable to bringing the asset to working condition for its intended use.

2.4 Impairment of Assets

An Asset is impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged when an asset identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of recoverable amount.

2.5 Depreciation and amortization

Depreciation on fixed assets is being provided on straight line method at the rates in the manner specified in Schedule II of the Companies Act, 2013. Depreciation on assets sold, scrapped or demolished during the year is being provided at their respective rates up to the date in which such assets are sold, scrapped. Depreciation / Amortisation of Intangibles is in compliance with AS 26 to the extent applicable. The expenditure incurred on Lease Hold premises is depreciated over the Lease period.

2.6 Borrowing Cost

Borrowing costs attributable to the Acquisition/Improvement of qualifying capital assets and incurred till the commencement of commercial use of the assets is capitalized as the cost of the asset as per Accounting Standard(AS) 16 "Borrowing Cost" and other borrowing costs are charged to statement of profit and loss.

2.7 Capital Work-In-Progress

Capital Work-In-Progress is carried at cost, comprising direct cost and related Incidental expenses.

2.8 Inventories

Inventories are valued at lower of cost and estimated net realizable value. Cost is determined on 'Weighted Averages' basis. Cost of Inventories comprises of all cost of purchase, cost of conversion and other costs incurred in bringing the Inventories to their present location and condition.

2.9 Transactions in Foreign Currency

Foreign Currency transactions are recorded at the exchange rates prevailing at the date of the transaction. Monetary foreign currency assets and liabilities are translated in to Indian rupees at the exchange rate prevailing at the balance sheet date. All exchange differences are dealt with in Statement of profit and loss.

2.10 Investments

Long-term Investments including those held through nominees are stated at cost. Provision for diminution in the value of long-term Investment is made only if such a decline is other than temporary in the opinion of the management.

Current Investments are carried at lower of cost and fair value.

2.11 Revenue Recognition

i) Sale of Goods:

Revenue from sale of goods is recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods and is stated net of sales tax/goods and service tax, trade discounts and claims etc.

ii) other revenue:

Other revenue is recognized only when it is reasonably certain that the ultimate collection will be made.



Manoj Vaibhav Gems 'N' Jewellers Private Limited

2.12 Employee Benefits

Defined Contribution Plan: The Company makes defined contribution to Provident Fund and Employee State Insurance which are recognized in the statement of Profit and Loss on accrual basis.

Defined Benefit Plan: The Company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary as on the Balance sheet date. The actuarial gains or losses determined by the actuary are recognized in the Statement of Profit and Loss as income or expense.

2.13 Provision for Current and Deferred Taxation

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax assets are recognized if there is a virtual certainty that the assets will be realized in future.

2.14 Cash flow Statement

The Cash Flow Statement is prepared by indirect method set in Accounting Standard 3 on Cash flow Statement and presents the cash flows by operating, Investing and Finance activities of the company. Cash and Cash equivalents presented in cash flow consist of cash in hand, cheques on hand and bank balances.

2.15 Earning Per Share

The basic earnings per share is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per shares, net profit after tax for the year and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

2.16 Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.17 Leases

Operating Lease payments are recognized as an expense in the statement of profit and loss as per the terms of the agreements which are representative of the time pattern of the user's benefits.

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Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements

3. Share Capital

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Authorised Share Capital		
1,00,00,000 Equity Shares of ₹.10 each	10,00,00,000	10,00,00,000
(Previous year: 1,00,00,000 Equity Shares of ₹.10 each)		
	10,00,00,000	
Issued Subscribed and Paid up Share Capital		
97,70,000 Equity Shares of ₹.10 each	9,77,00,000	9,77,00,000
(Previous year: 97,70,000 Equity Shares of ₹.10 each)		
	9,77,00,000	9,77,00,000

3.1 Reconciliation of shares outstanding at the beginning and end of the financial year:

Particulars	31st March 2019	31st March 2018
Equity shares at the beginning of the year	97,70,000	97,70,000
Add: Allotment during the year	-	-
Less: Shares bought back during the year	-	-
Equity shares at the end of the year	97,70,000	97,70,000

3.2. Rights, preferences and restrictions attached to Shares

The Company has one class of equity shares having a par value of ₹.10/- each (Previous Year: ₹.10/- each). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

3.3. Details of Shareholders holding more than 5 % of the shares in the Company:

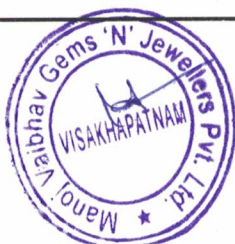
Name of the Share Holder	31st March 2019		31st March 2018	
	No. of shares	%	No. of shares	%
1. Grandhi Bharata Mallika Ratna Kumari (HUF) (Formerly known as G. Manoj Kumar (HUF))	73,37,600	75.10%	73,37,600	75.10%
2. G.B.M. Ratna Kumari	13,38,000	13.69%	13,38,000	13.69%
3. Harshil Enterprises (India) Pvt. Ltd.	10,64,400	10.89%	10,64,400	10.89%

4. Reserves and Surplus

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Securities Premium		
Opening Balance	28,02,50,000	28,02,50,000
Add: Additions during the year	-	-
Balance as at the end of the year	28,02,50,000	28,02,50,000
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	1,15,36,76,886	97,15,12,265
Add: Profit/(Loss) for the year as per Statement of Profit and Loss	30,70,71,126	18,21,64,621
	1,46,07,48,012	1,15,36,76,886
	1,74,09,98,012	1,43,39,26,886

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Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements

5. Long-term Borrowings

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Secured		
Term Loans from Banks	-	48,28,309
Vehicles from Banks	32,69,374	69,80,720
(Refer Note no. 11 for current maturities)		
	32,69,374	1,18,09,029
Unsecured		
Loans and advances from related parties	45,00,00,000	40,00,00,000
Loans and advances from others	-	-
	45,00,00,000	40,00,00,000
	45,32,69,374	41,18,09,029

5.1 Nature of Security and terms of repayment for term loans from banks:

Particulars	Terms
Primary Security	Exclusive charge on interior of Kakinada and Gajuwaka showrooms
Collateral Security	First charge on all fixed assets of the Company (including 'V' Square' & Corporate Office Land & Buildings). Pledge of shares of the Company to the extent of 20% Personal Guarantee of Mrs. G B M Ratna Kumari, Mrs. G. Sai Sindhuri & Ms. G. Sai Keerthana.
Terms of Payment	Repayable in 16 quarterly installments of ₹.0.40 Crore for first 15 and thereafter of ₹. 0.50 Crore from September, 2015.
Interest Rate	11.55% p.a.

Note: All the term loans from banks are further secured by personal guarantee as specified in note no. 9.1

Nature of Security and terms of repayment for vehicle loans from banks:

Bank	Primary Security	Terms of Payment	Int. Rate
Axis Bank	Toyota Etios	Repayable in 60 monthly EMI of ₹.16,042/- each commencing from November,2015. Balance No. of Installments - 19	10.00%
Axis Bank	Toyota Innova	Repayable in 60 monthly EMI of ₹.28,684/- each commencing from November,2015. Balance No. of Installments - 19	10.00%
HDFC Bank	Toyota Etios	Repayable in 60 monthly EMI of ₹.16,505/- each commencing from April ,2016. Balance No. of Installments -24	9.90%
HDFC Bank	Toyota Innova	Repayable in 84 monthly EMI of ₹.24,072/- each commencing from November,2015. Balance No. of Installments -43	10.00%
State Bank of India	Maruti Swift Dzire	Repayable in 84 monthly EMI of ₹.11,095/- each commencing from August 2014. Balance No. of Installments -19	11.05%
State Bank of India	Toyota Innova GX	Repayable in 84 monthly EMI of ₹21,310/- each commencing from May 2014. Balance No. of Installments -15	11.05%
State Bank of India	Mahindra XUV	Repayable in 84 monthly EMI of ₹.19,129/- each commencing from August 2014. Balance No. of Installments -20	11.05%
HDFC Bank	Maruthi Swift Dzire	Repayable in 60 monthly EMI of ₹.14,753/- each commencing from October 2016. Balance No. of Installments -30	9.65%
HDFC Bank	Maruthi Swift Dzire	Repayable in 36 monthly EMI of ₹.24,666/- each commencing from November,2016. Balance No. of Installments -7	9.50%
HDFC Bank	Toyota Innova	Repayable in 36 monthly EMI of ₹.55,722/- each commencing from February,2017. Balance No. of Installments -10	9.50%
HDFC Bank	Maruthi Swift Dzire	Repayable in 36 monthly EMI of ₹.24,169/- each commencing from January 2017. Balance No. of Installments -9	9.50%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹.8,743/- each commencing from October 2018. Balance No. of Installments -78	9.20%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹.8,743/- each commencing from October 2018. Balance No. of Installments -78	9.20%
Canara Bank	Tata Magic	Repayable in 84 monthly EMI of ₹.8,743/- each commencing from October 2018. Balance No. of Installments -78	9.20%
HDFC Bank	Maruthi Swift Dzire	Repayable in 36 monthly EMI of ₹.23,001/- each commencing from November,2017. Balance No. of Installments -19	8.50%
HDFC Bank	Toyota Etios	Repayable in 36 monthly EMI of ₹.28,976/- each commencing from May,2017. Balance No. of Installments -13	8.50%
HDFC Bank	Toyota Etios	Repayable in 36 monthly EMI of ₹68,266/- each commencing from May,2017. Balance No. of Installments -13	8.50%



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements

6. Deferred Tax Liabilities (Net)

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Deferred Tax Liabilities: Difference between WDV of Fixed Assets as per books and as per Income Tax Act	1,61,05,912	1,65,26,358
Deferred Tax Assets Disallowances under Income Tax Act, 1961	-1,02,42,124	-50,10,703
	58,63,788	1,15,15,655

7. Other Long-term Liabilities

Particulars	As at	
	31st March 2019	31st March 2018
Rental Deposits	75,00,000	75,00,000
	75,00,000	75,00,000

8. Long-term Provisions

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Provision for employee benefits	2,48,18,915	1,32,99,173
	2,48,18,915	1,32,99,173

9. Short-term Borrowings

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Secured		
Working Capital Loans from banks	3,09,46,78,591	2,38,78,66,918
Gold Metal Loans from banks	56,45,55,047	1,01,73,73,253
	3,65,92,33,638	3,40,52,40,171

9.1 Nature of security

Particulars	SBI/ AB/ Axis/ HDFC/ Canara
Primary Security	Pari-passu first charge on current assets of the company, both present and future, along with other consortium members
Collateral Security	<p>A. Pari passu 1st charge by way of equitable mortgage along with other WC lenders on:</p> <ol style="list-style-type: none"> 1. Shop Nos. A-1,A3 and A-17 at D.No. 47-15-7 Visakhapatnam standing in the names of the Company/ Mrs. GBM Ratna Kumari & Others (total undivided land to the extent of 35 Sq. yards) 2. House site at D No.7-6-12, Plot No. 15, at Visakhapatnam belonging to Mrs. GBM Ratna Kumari, CMD (admeasuring 444 Sq. yards) 3. Plot No. C-536 at Visakhapatnam belonging to standing in the names of GBM Ratna Kumari & Others (admeasuring 605.68 Sq. yards) 4. Open land at Amalapuram belonging to standing in the names of Mrs. GBM Ratna Kumari, CMD and Ms. G. Sai Keerthana, Director (admeasuring 13,421.61 Sq. yards and 13,474.64 Sq. yards) <p>B. Second charge by way of equitable mortgage along with other WC lenders on:</p> <ol style="list-style-type: none"> 1. V-Square land admeasuring 2865.65 sq. yards. and buildings there on located at D.No.47-15-8,9,9/1, Visakhapatnam 2. Corporate Office land adm.893.80 sq. yards. and buildings thereon located at D.No.47-10-19, Visakhapatnam and 3. All fixed assets of the Company <p>C. Pledge</p> <ol style="list-style-type: none"> 1. TDRs with AB/ HDFC/ Kotak/ SBI totallig to ₹. 13.45 Crore on pari passu basis 2. Pledge of shares of the Company to the extent of 20%

Personnel guaranteee	Mrs. GBM Ratna Kumari Mrs. G. Sai Sindhuri Ms. G. Sai Keerthana Ms. GDKS Sarayu	Chairperson & Managing Director Owners of Collateral Securities Owners of Collateral Securities Owners of Collateral Securities
Terms of Payment	Repayable on demand	
Interest rate	10.3% to 13.2% p.a.	



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements

10. Trade Payables

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Trade Payables:		
Dues to Micro and Small enterprises	-	-
Dues to Others	57,31,86,137	48,08,58,516
	57,31,86,137	48,08,58,516

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the company. This has been relied upon by the Auditors.

11. Other current liabilities

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Current maturities of Long-term borrowings		
Term Loans	45,32,246	1,60,00,000
Vehicle Loans	40,09,526	41,04,708
Interest accrued but not due on borrowings	20,32,732	20,41,430
Other payables		
Statutory liabilities	1,02,35,906	74,14,547
Creditors for capital goods	38,79,411	1,44,11,395
Creditors for expenses	8,34,87,641	7,11,90,638
Advances from customers	7,21,78,644	7,82,03,448
Dues to related parties	12,65,597	1,94,080
Others	7,51,838	7,50,065
	18,23,73,540	19,43,10,312

12. Short term provisions

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Provision for income-tax (net of advance tax)	9,44,42,225	5,45,26,745
Provision for employee benefits	44,91,194	11,79,281
	9,89,33,419	5,57,06,026

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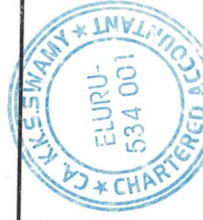
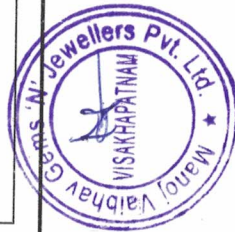
Manoj Vaibhav Gems 'N' Jewellers Private Limited

Note No. 13 & 14 : Fixed Assets

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2018	Additions During the Year	Reclassification/ Adj. during the year	As at 31.03.2019	As at 01.04.2018	Current year Depreciation	Reclassification/ Prior period Depreciation	Deletions/ Internal Transfers	As at 31.03.2019	As at 31.03.2018
Tangible Assets (Own)										
Land	1,72,91,014	-	-13,43,135	1,59,47,879	-	-	-	-	1,59,47,879	1,72,91,014
Buildings	7,31,19,177	1,64,44,934	-	8,95,64,111	1,19,62,848	14,64,625	-	-	7,61,36,638	6,11,56,329
Plant & Machinery	10,27,19,529	22,65,219	-	10,49,84,748	5,90,20,282	76,60,862	-	-	3,83,03,605	4,36,99,247
Furniture & Fittings	26,55,41,185	7,84,56,803	-	34,39,97,987	14,55,90,526	1,85,74,106	-	-	17,98,33,355	11,99,50,659
Electrical Installations	12,80,58,878	6,42,47,448	-	19,23,06,325	3,44,07,892	1,40,73,235	-	-	14,38,25,198	9,36,50,985
Office Equipment	3,87,31,136	86,29,017	-11,886	4,73,48,266	1,55,63,385	1,29,06,207	-	12	1,88,78,686	2,31,67,751
Computers	2,69,77,761	30,88,011	-3,70,000	2,96,95,772	1,93,18,827	37,85,610	-	2,09,130	68,00,465	76,58,934
Vehicles	4,19,99,532	34,97,966	-11,77,604	4,43,19,894	2,00,19,140	36,98,795	-	7,44,347	2,13,46,306	2,19,80,392
Tangible Assets (Leasehold)										
Buildings	10,64,88,815	1,48,00,770	-	12,12,89,585	1,58,28,738	67,90,512	-	-	9,86,70,335	9,06,60,077
	80,09,27,026	19,14,30,168	-29,02,625	98,94,54,568	32,17,11,639	6,89,53,951	-	9,53,489	59,97,42,467	47,92,15,387
Previous year	-66,90,71,586	-13,10,17,228	-8,38,212	-80,09,27,026	-22,91,25,884	-6,32,22,255	-2,93,63,500	-	-47,92,15,387	-43,99,45,702
Intangible Assets										
Intangible Assets	1,10,04,585	15,000	-	1,10,19,585	64,57,080	8,03,373	-	-	37,59,132	45,47,505
	1,10,04,585	15,000	-	1,10,19,585	64,57,080	8,03,373	-	-	37,59,132	45,47,505
Previous year	-1,00,73,876	-10,13,653	82,944	-1,10,04,585	-66,85,411	-7,36,456	9,64,787	-	-45,47,505	-33,88,465
Total	81,19,31,611	19,14,45,168	-29,02,625	1,00,04,74,153	32,81,68,719	6,97,57,325	-	9,53,489	60,35,01,599	48,37,62,892
Previous year	-67,91,45,462	-13,20,30,881	-7,55,268	-81,19,31,611	-23,58,11,295	-6,39,58,711	-2,83,98,713	-	-48,37,62,892	-44,33,34,167

Note No. 13.1 Investment in properties

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01.04.2018	Additions During the Year	Reclassification/ Adj. during the year	As at 31.03.2019	As at 01.04.2018	Current year Depreciation	Reclassification/ Prior period Depreciation	Deletions/ Internal Transfers	As at 31.03.2019	As at 31.03.2018
Land	1,47,29,382	-	13,43,135	1,60,72,517	-	-	-	-	1,60,72,517	1,47,29,382
Buildings	9,06,52,646	-	-	9,06,52,646	1,27,77,213	17,12,326	-	-	1,44,89,539	7,78,75,433
Total	10,53,82,028	-	13,43,135	10,67,25,163	1,27,77,213	17,12,326	-	-	9,22,35,624	9,26,04,815
Previous year	-9,55,77,280	-1,05,60,016	7,55,268	-10,53,82,028	-1,22,78,069	-13,81,449	8,82,305	-	-9,26,04,815	-8,32,99,211



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

15. Non Current Investments

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
a) Investment properties (Refer Note No. 13.1)	9,22,35,624	9,26,04,815
b) Investment in mutual funds (Quoted, traded - at cost)		
HDFC Cash Management Fund	-	12,669
[Nil (31 Mar 18: 1,249.046) units of ₹. 10 each fully paid up]		
	9,22,35,624	9,26,17,484

16. Long-term loans and advances

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
(Unsecured, considered good)		
Capital Advances	31,22,486	1,39,45,361
Security Deposits		
Rent Deposit	5,03,72,892	4,73,67,240
Electricity Deposits	60,15,084	58,61,050
Telephone Deposit	86,597	86,597
Other Deposits	3,28,025	3,22,025
Balance with government authorities	-	26,00,814
	5,99,25,084	7,01,83,087

17. Other non-current assets

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Bank deposits	8,53,22,369	2,17,47,806
(maturity of more than 12 months)		
	8,53,22,369	2,17,47,806

17.1 Lien on FDRs: All the above bank deposits are subject to lien including ₹.50,00,000/- made in compliance with the Pradhan Mantri Garib Kalyan Deposit (PMGKD) Scheme, 2016.

18. Inventories

(Amount in ₹)

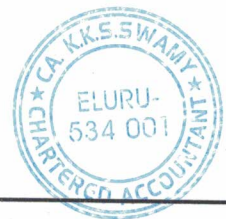
Particulars	As at	
	31st March 2019	31st March 2018
Raw material	8,08,38,467	4,03,92,889
Work-in-progress	78,48,34,548	59,75,76,928
Stock in trade	2,81,38,54,266	1,91,46,57,602
Finished goods	1,46,74,09,902	2,29,58,45,180
Gift Items/ Packing material	71,70,481	83,30,978
	5,15,41,07,664	4,85,68,03,577

Note: Identification of a specific item and determination of estimated net realisable value involve technical judgments of the management, which has been relied upon by the auditors.

19. Trade receivables

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
(Unsecured, considered good)		
Outstanding for a period exceeding 6 months from the date they are due for payment	15,55,805	49,07,727
Others	21,36,87,599	2,30,72,631
	21,52,43,404	2,79,80,358



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

20. Cash and Bank balances

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Cash and cash equivalents		
Cash on hand	6,85,71,281	1,72,72,499
Cheques on hand/ Credit card receivable	1,02,40,796	75,58,183
Balances with banks		
In Deposit Accounts	14,36,00,000	11,70,00,000
(with maturity of less than 3 months)		
In Current Accounts	5,19,27,706	2,50,49,803
In Travel cards	58,120	3,56,804
	27,43,97,903	16,72,37,289
Other bank balances		
Other Bank Deposits	12,41,66,462	11,27,34,990
(with maturity of more than 3 months but less than 12 months)		
Margin money	1,56,36,189	11,76,33,663
	13,98,02,651	23,03,68,653
	41,42,00,554	39,76,05,942

20.1 Lien on FDRs: All Other bank deposits with maturity of less than 3 months and with maturity of more than 3 months but less than 12 months are subjected to lien.

21. Short-term loans and advances

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
(Unsecured, considered good)		
Loans and advances to		
Related parties	-	-
Employees	16,05,184	26,22,261
Suppliers and service providers	1,54,66,465	1,51,93,446
Rental Deposits	18,93,500	2,93,060
Prepaid expenses	40,72,631	35,40,802
Balances with Government Authorities		
Income tax	2,03,38,705	64,99,393
Other taxes	4,17,94,843	1,17,39,509
	8,51,71,329	3,98,88,472

22. Other current assets

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Interest accrued but not due	25,89,516	30,05,874
Others	44,23,029	2,00,000
	70,12,545	32,05,874

23. Revenue from operations

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Retail Sales		
Gold Ornaments	10,81,39,56,415	10,02,82,63,335
Silver Articles	47,15,02,656	68,43,61,336
Platinum Ornaments	1,08,99,879	98,46,814
Diamond	67,61,95,603	57,15,60,727
Stones	40,16,89,183	32,72,86,753
Others	10,00,69,404	5,00,89,242
	12,47,43,13,140	11,67,14,08,207
Bullion Sales		
Gold (Bullion)	-0	1,53,28,40,438
	-0	1,53,28,40,438
	12,47,43,13,140	13,20,42,48,645



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

24. Other Income

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Interest Income		
On bank deposits	2,35,41,025	87,39,827
Others	9,18,705	3,01,356
Dividend from		
Mutual fund	452	521
Net gain on disposal of non-current investment (@)	-	1,70,44,181
Other non-operating Income		
Rental Income	2,32,18,980	2,67,39,480
Income from windpower sale	-	-
Net gain on disposal of assets	1,20,618	-
Others (#)	1,10,64,412	3,48,381
	5,88,64,194	5,31,73,747

(@) Profit on non-current investment is from disinvestment Equity and Preference shares in Subsidiary Company

(#) It includes profit on sale of resin moulds of ₹. 3,00,797 (₹. 2,27,651) after netting of expenses of ₹. 94,821 (₹. 2,20,750) and prior period income (net) ₹. 1,03,30,427 (₹. Nil)

25. a) Cost of material consumed

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Opening stock of raw material	4,03,92,889	12,15,79,420
Add: Purchases of raw material	5,26,51,75,137	7,20,48,95,376
	5,30,55,68,026	7,32,64,74,796
Less: Closing stock of raw material	8,08,38,467	4,03,92,889
	5,22,47,29,559	7,28,60,81,907

25. b) Purchase of Stock-in-trade

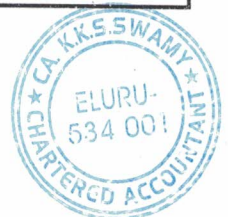
(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Retail Purchases		
Gold Ornaments	4,78,17,74,536	2,28,61,53,536
Silver Articles	33,82,32,298	64,24,05,964
Platinum Ornaments	76,92,330	1,19,86,767
Diamond	34,93,64,010	49,15,36,263
Stones	9,53,20,360	9,73,75,283
Others	1,54,38,318	48,17,100
	5,58,88,21,851	3,53,42,74,913
Bullion Purchases		
Gold (Bullion)	-	1,53,10,38,440
	-	1,53,10,38,440
	5,58,88,21,851	5,06,53,13,353

26. Changes in inventories

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Stock at the end of the year		
Work in progress	78,48,34,548	59,75,76,928
Stock in trade	2,81,38,54,266	1,91,46,57,602
Finished goods	1,46,74,09,902	2,29,58,45,180
	5,06,60,98,716	4,80,80,79,711
Stock at the beginning of the year		
Work in progress	59,75,76,928	58,21,33,830
Stock in trade	1,91,46,57,602	1,13,76,12,033
Finished goods	2,29,58,45,180	2,12,22,22,591
	4,80,80,79,710	3,84,19,68,454
	-25,80,19,006	-96,61,11,256



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

27. Employee benefit expenses

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Salaries and wages	32,92,32,926	26,49,53,446
Directors Remuneration	58,13,947	1,55,59,519
Contribution to provident and other funds	1,65,64,827	1,40,05,444
Staff welfare expenses	1,72,81,286	2,10,21,257
	36,88,92,985	31,55,39,666

28. Finance Costs

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Interest Expense		
Interest on Term Loans	25,76,788	37,87,220
Interest on Working Capital Loans	30,58,65,628	28,55,61,014
Interest on Vehicle Loans	8,59,619	12,32,997
Interest on Others	68,54,715	1,97,19,260
Other Borrowing Costs		
Loan Processing & Renewal Charges	86,04,778	1,03,33,233
	32,47,61,528	32,06,33,724

29. Depreciation and Amortization (Refer Note 13 & 14)

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Depreciation on Tangible Assets	7,06,66,277	6,46,03,704
	7,14,69,651	6,53,40,160

30. Other expenses

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Job work charges	26,47,98,039	31,14,35,096
Freight and forwarding charges	95,07,692	98,58,791
Electricity expenses	2,24,53,686	2,11,53,869
Rent	3,75,41,478	3,12,67,540
Repairs and maintenance		
Building	29,64,451	33,60,360
Plant and machinery	81,44,518	45,84,409
Computers	26,53,707	42,20,974
Insurance	87,98,822	88,39,932
Rates and Taxes	1,71,44,339	6,03,46,651
Telephone expenses	21,13,064	29,29,421
Travelling expenses	2,33,96,820	3,19,44,374
Conveyance	83,09,621	64,42,231
Legal and Professional charges	2,57,09,011	2,55,53,135
Remuneration to auditor		
for audit services	1,72,750	1,50,000
for taxation matters	-	-
for other matters	-	-
out of pocket expenses	-	6,594
Printing & Stationery	83,27,352	71,51,336
Postage & Courier Charges	54,244	2,19,452
Books & Periodicals	2,39,959	4,47,283
Charities & Donations	5,14,115	7,39,666
CSR Expenses	19,48,720	17,11,764
Loss on foreign currency transactions and translations (net)	1,59,19,182	4,12,85,305
Prior period items (Net)	-	3,57,37,920
Advertisement Expenses	13,46,23,540	15,18,86,097
Discount allowed	1,59,38,118	1,48,79,001
Other Selling and Distribution Expenses	4,64,29,557	3,70,30,810
Bank Charges	2,03,14,234	2,48,81,865
Credit Card Service Charges	2,19,20,452	2,06,38,436
Miscellaneous expenses	3,35,64,361	2,71,65,525
	73,35,01,832	88,58,67,836



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

31. Earnings per Share

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
a) Net Profit/ (Loss) for Basic/ Diluted EPS		
Profit/ (Loss) after tax	30,70,71,126	18,21,64,621
Add/(Less): Prior period items	-1,03,30,427	3,57,37,920
	29,67,40,699	21,79,02,541
b) Number of Shares for Basic/ Diluted EPS		
No. of Equity Shares	97,70,000	97,70,000
c) Basic/Diluted Earning per Share (Not annulized)	30.37	22.30

32. Transactions in foreign currencies

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
a) Inflow:		
Sales proceeds from foreign exhibitions/ customers	3,27,868	5,42,21,371
	3,27,868	5,42,21,371
b) Outflow:		
Travel & Hotel expenses	20,85,593	74,04,808
Consultancy services	-	10,26,448
Royalty charges	-	6,39,500
Rent for exhibitions	-	22,40,437
Customs duty/ sales tax	-	50,09,486
Commission	-	5,03,536
Other expenses	-	1,65,083
	20,85,593	1,69,89,298

34. Capital and Other commitments

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	1,33,73,977	4,57,79,397

35. Contingent Liabilities and Guarantees

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
a) Income tax		
AY 2013-14	-	69,59,832
AY 2014-15	-	1,69,31,641
AY 2015-16	-	44,30,365
	-	2,83,21,838
b) Service tax		
From 01.06.07 to 31.03.10	26,11,310	26,11,310
Note: The above matter relating to imposition of penalty U/s.78 of Finance Act, 1994 is pending before Hon'ble CESTAT, Bangalore. However, the Hon'ble tribunal as per their Misc. Order No. 21214/2014 dt.19th May, 2014 has granted stay against payment of penalty during the pendency of the appeal.		

36. Segment Report

The company is engaged in the business of Gold Jewellery, Diamond and Silver Articles, which constitutes a single business segment. In view of the above, there are no segment wise reports to be disclosed in terms of Accounting Standard (AS) 17- "Segment Reporting" issued by the Institute of Chartered Accountants of India.



Manoj Vaibhav Gems 'N' Jewellers Pvt Ltd

Notes forming part of the financial statements (Contd.)

37 Reporting on related parties

a) List of related parties

Index No	Nature of relationship	Name of the related party	Chairperson & Managing Director
1	Key Managerial Personnel (KMP)	Grandhi B.M. Ratna Kumari G S V Anarendra G S Keerthana R.Satish G Sindhuri Grandhi Narendra (expired on 06.07.17) Grandhi Krishna Kumari GBM Ratna Kumari (HUF) (formerly known as G. Manoj Kumar (HUF)) Grandhi Narendra (HUF) (ceased to exist from 06.07.17) Manoj Vaibhav Jewellers Private Limited. (formerly known as Vaibhav Jewellers, Eluru) Emerge Enterprises India Private Limited Harshil Enterprises (India) Private Limited Vaibhav Sign Tower Private Limited Vaibhav Golden Avenues Private Limited Vaibhav Hotels & liesures (Visakhapatnam) Private Limited Vaibhav Jewellers Private Limited Vaibhav Hospitalities Private Limited Vaibhav Goldfin Services Private Limited Vaibhav Green Energy Private Limited Vaibhav Sky Scaapes Limited	Director Executive Director Chief Executive Officer Director & Daughter of CMD Father in law of CMD Mother in law of CMD
2	Relative of KMP		
3	Enterprises over which director is having significant influence		



b) Related Party Transactions/ Balances

Related Parties	FY	Loan and advance given/ (Loan and advance taken)	(Recovery)/ Repayment	Net Purchases/ (Net Sales)	Remuneration	Trf of assets	Rental & other expenses/ (Rental income)	(Royalty)	Discount	(Amount in ₹) Receivable/ (Payable) by year end
1. Key Managerial Personnel										
Grandhi B.M. Ratna Kumari	2018-19	-	-	-	1,76,32,784	-	-	-	-	(1,390)
	2017-18	-	-	-	1,60,43,703	-	-	-	-	(39,526)
G. Sai Keerthana	2018-19	-	-	-	14,49,596	-	-	-	-	(24,094)
	2017-18	-	-	-	7,34,468	-	-	-	-	(77,277)
R. Satish	2018-19	-	-	-	1,10,66,214	-	-	-	-	(1,85,609)
	2017-18	-	-	-	90,88,717	-	-	-	-	(8,77,529)
2. Relative of directors										
G.Sinduri	2018-19	-	-	-	11,55,356	-	-	-	-	(36,387)
	2017-18	-	-	-	7,34,468	-	-	-	-	(77,277)
Grandhi Narendra	2018-19	-	-	-	-	-	51,000	-	-	-
	2017-18	-	-	-	-	-	-	-	-	-
Grandhi Krishna Kumari	2018-19	-	-	-	-	-	7,93,512	-	-	-
	2017-18	-	-	-	-	-	4,98,000	-	-	-
3. Enterprises over which director is having significant influence										
GBM Ratna Kumari (HUF)	2018-19	-5,00,00,000	-	(2,48,37,97,290)	-	-	-3,96,744@	(1,20,000)	-	(45,00,00,000)
	2017-18	-	-	(1,48,75,87,280)	-	14,19,71,181#	-3,96,744@	(1,20,000)	-	(40,00,00,000)
Grandhi Narendra (HUF)	2018-19	-	-	-	-	-	-	-	-	-
	2017-18	-	-	-	-	-	-	-	-	-
Manoj Vaibhav Jewellers Private Limited.	2018-19	-	-	-	-	-	51,000	-	-	-
	2017-18	8,50,00,000&	-7,00,00,000&	-1,54,40,354^	-	-	-	-	6,059	-
	2017-18	-	-	1,21,11,917^	-	-	-	-	53,495	-
Vaibhav Jewellers Private Limited	2018-19	-	-	2,06,65,589	-	-	-	-	-	(12,03,727)
	2017-18	-	-	1,60,59,740	-	-	-	-	-	40,289
Vaibhav Hotels & liesures (Visakhapatnam) Private Limited	2018-19	-	-	-	-	-	-51,63,657**	-	-	40,73,029
	2017-18	-	-	-	-	-	-	-	-	-

It consists of transfer of shares in and dividend receivable from the Subsidiary totalling to ₹ Nil (₹ 14,79,20,000) and purchase of computer ₹ Nil (₹ 36,441)
 @ It consists of rental income of ₹ 7,93,500 (₹ 7,93,500) and rental expenses of ₹ 3,96,756 (₹ 3,96,756)
 ^ It consists of sale of ₹ 1,54,40,354 (₹ 59,93,082) and purchase of ₹ Nil (₹ 1,81,04,999)
 & Given advance of ₹ Nil (₹ 10,00,00,000) towards purchase of bullion. However, received back ₹ Nil (₹ 8,50,00,000) on cancellation

** It consists of Rental income of ₹ 60,00,000 (₹ Nil) and expenses of ₹ 8,36,343 (₹ Nil)



Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

38. Obligations towards operating leases

A) Assets taken on lease

a) The Company has entered into cancellable and non-cancellable operating leases for its showrooms/ offices. The future minimum lease payments under Non-cancellable leases payable as at the year ending are asfollows:

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
1) Future minimum lease payments		
not later than one year	1,10,37,021	1,06,27,320
later than one year and not later than five years	5,11,40,552	4,81,95,893
later than five years	21,00,61,147	18,54,96,079
2) Lease payments recognized in the Statement of Profit and Loss	3,46,09,119	2,86,45,051

b) The Corporation entered into cancellable operating leases for its showrooms/ offices and others which are cancellable by giving appropriate notices as per respective agreements. During the year ₹ 2,39,75,605 (Previous year ₹ 1,80,37,537) has been charged to Statement of Profit and Loss on account of lease rentals.

B) Assets given on lease

a) The Company enters into cancellable/non-cancellable operating lease arrangements for it's commercial building premises. The details are as follows:

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Land & Buildings		
Gross carrying amount	10,67,25,163	10,53,82,028
Accumulated depreciation	1,44,89,539	1,27,77,213
Depreciation recognised in Statement of profit and loss	17,12,326	13,81,449

b) The future minimum lease payments under non cancellable leases receivable as at the year ending are asfollows:

(Amount in ₹)

Particulars	For the year ended	
	31st March 2019	31st March 2018
1) Future minimum lease payments		
not later than one year	7,93,500	7,93,500
later than one year and not later than five years	-	7,93,500
later than five years	-	-
2) Lease payments recognized in the Statement of Profit and Loss	2,32,18,980	2,67,39,480

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Manoj Vaibhav Gems 'N' Jewellers Private Limited
Notes forming part of the financial statements (Contd.)

39. Retirement benefits

The Gratuity Liability is recognized on the basis of actuarial valuation method.

The following table sets forth the status of the Gratuity plan of the Company and amounts recognized in the Balance Sheet (Computed according to revised AS 15):

Particulars	For the year ended	
	31st March 2019	31st March 2018
Obligations at year beginning	1,44,78,454	1,08,74,607
Past Service Cost	-	7,20,248
Current Service Cost	28,53,600	21,62,928
Interest expenses	10,55,550	7,40,263
Actuarial (Gain)/Losses due to change in assumptions	1,18,83,599	3,50,113
Benefits paid	-9,61,094	-3,69,705
Obligations at year end	2,93,10,109	1,44,78,454
Change in plan assets:		
Plan assets at year beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain	-	-
Contributions	-	-
Benefits paid	-	-
Plan assets at year end, at fair value	-	-
Assumptions		
Discount rate	7.60%	7.60%
Salary growth	6.50%	3.00%
Attrition rate	12.00%	2.00%

40. All the figures have been rounded off to the nearest rupee.

41. Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's classification.

For and on behalf of the Board of Directors

K.K.S. Swamy

K.K.S. Swamy
Chartered Accountant
Membership No.: 022067



Place : Visakhapatnam

Date : 17-06-2019

G.B.M. Ratna Kumari *G.S.V. Amarendra*

GBM Ratna Kumari
Managing Director
DIN: 00492520

R. Satish
R. Satish
Chief Executive Officer

GSV Amarendra
Director
DIN: 01521848

B. Shiva Krishna
B. Shiva Krishna
Company Secretary