



D.V. RAMANA RAO & Co.

CHARTERED ACCOUNTANTS

22B-6-8, KORRAPATI STREET, POWERPET, ELURU - 534 002 (A.P.) PHONE : (08812) 252168, 98853 36999, E-mail : dvrcas99@gmail.com

Independent Auditors' Report

To the Members of VaibhavJewellers Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **VaibhavJewellers 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 then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, profit and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

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

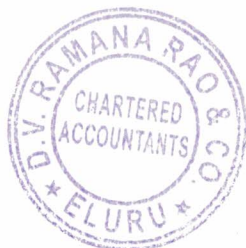
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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, we exercise professional judgement and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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

We also provide those charged with governance with a statement that We have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our 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 sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the order.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid 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 our 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 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending 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 as on 31st March 2019.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for D.V. Ramana Rao & Co.

Chartered Accountants

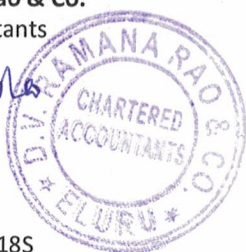
D.V. Subba Rao

D.V. Subba Rao

Partner

M.No: 023845

Firm Regn No. 029185



Place: Eluru

Date: 06.09.2019

19023845AAAAA49771

Annexure A to Independent Auditors' Report

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

- i) The Company has no fixed assets. Accordingly, paragraph 3(i)(a) (b) and (c) of the Order is not applicable to the Company.
- ii) As explained to us, inventories were physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- iii) As informed to us, the Company has not granted during the year any loans to parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.
- iv) According to the information and explanations given to us and based on our examination of the records of the company, Section 185 of the Act is not applicable to the Company. The Company has complied with the provisions Section 186 of Companies Act, 2013 in respect of loans given, investments made. The Company has not given any guarantees and securities.
- v) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not accepted deposits from the public during the year. Therefore, paragraph 3(v) of the Order is 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 Companies Act, 2013 in respect of the Company's operations for the current year. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- vii)
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company did not have any undisputed dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues with the appropriate authorities. Accordingly, paragraph 3(vii)(a) of the Order is not applicable to the Company.
 - b) According to the information and explanations given to us, there were no disputed dues of income tax, sales tax, service tax, duty of customs, duty of excise or value added tax for the year then ended. Accordingly, paragraph 3(vii)(b) of the Order is not applicable to the Company.
- viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not availed during the year any loan from any financial institution or bank nor issued any debentures or existing at the beginning of the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.



- ix) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not raised any money raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) As the Company is a private limited company under Section 2(68) of the Companies Act, 2013, compliances with respect to payment of managerial remuneration under the Act is not applicable to the Company. Therefore, paragraph 3(xi) of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is a not a Nidhi Company under Section 406 (1) of the Companies Act, 2013. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our 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 us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with it's directors or persons connected with him. Therefore, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) According to the information and explanations given to us and based on our 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. Therefore, paragraph 3(xvi) of the Order is not applicable to the Company.

for D.V. Ramana Rao & Co.
Chartered Accountants

D.V. Subba Rao

D.V. Subba Rao

Partner

M.No: 023845

Firm Regn No. 029185

Place: Eluru

Date: 06.09.2019



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")

We have audited the internal financial controls over financial reporting of **Vaibhav Jewellers Private Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 We comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanations given to us, 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.

for **D.V.Ramana Rao & Co.**
Chartered Accountants

D.V. Subba Rao
D.V.Subba Rao
Partner
M.No: 023845
Firm Regn No. 029185



Place: Eluru
Date: 06.09.2019

Vaibhav 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) Shareholder's funds | | | |
| (a) Share Capital | 3 | 10,00,000 | 10,00,000 |
| (b) Reserves and Surplus | 4 | 4,28,918 | (2,62,814) |
| 2) Non- current liabilities | | | |
| (a) Long-term borrowings | | - | - |
| (b) Deferred tax liability | | - | - |
| (c) Other long term liabilities | | - | - |
| (d) Long-term Provisions | | - | - |
| 3) Current Liabilities | | | |
| (a) Short term borrowings | 5 | 16,55,676 | 7,47,595 |
| (b) Trade payables | | | |
| - Dues to micro and small enterprises | | - | - |
| - Dues to creditors other than micro and small enterprises | 6 | 3,62,00,126 | - |
| (c) Other current liabilities | 7 | 10,89,36,730 | 1,64,529 |
| (d) Short term provisions | 8 | 2,74,500 | 483 |
| TOTAL | | 14,84,95,950 | 16,49,793 |
| II) Assets | | | |
| 1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | | - | - |
| (ii) Intangible assets | | - | - |
| (iii) Capital work in progress | | - | - |
| (b) Deferred Tax Asset (Net) | | - | - |
| (c) Non-current investments | | - | - |
| (d) Long-term loans and advances | | - | - |
| (e) Other non-current assets | | - | - |
| 2) Current assets | | | |
| (a) Inventories | 9 | 10,26,24,292 | - |
| (b) Trade receivables | 10 | 12,03,727 | 510 |
| (c) Cash and Bank Balances | 11 | 4,10,84,545 | 11,48,381 |
| (d) Short-term loans and advances | 12 | 35,83,386 | 5,00,902 |
| (e) Other current assets | | - | - |
| TOTAL | | 14,84,95,950 | 16,49,793 |
| Significant accounting policies | 2 | | |
| Notes forming part of the financial statements | 20-21 | | |

As per our report of even date

for D.V.Ramana Rao & Co.,
Chartered Accountants
Registration No. : 029185

D.V. Subba Rao
Partner
Membership No. : 023845

Place : Eluru
Date : 06.09.2019

for and on behalf of the Board of Directors

GBM Ratna Kumari
Director
DIN: 00492520

GS. Keerthana
Director
DIN: 05211918



[Handwritten signatures of GBM Ratna Kumari and GS. Keerthana]

Vaibhav Jewellers Private Limited

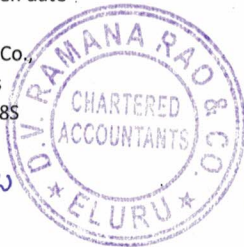
Statement of Profit and Loss for the year ended 31st March, 2019

(Amount in ₹)

| Particulars | Note No. | For the year period ended | |
|--|----------|---------------------------|---------------------|
| | | 31st March 2019 | 31st March 2018 |
| I) Revenue from operations | 13 | 49,35,73,851 | 11,19,78,893 |
| II) Other Income | | - | - |
| III) Total Revenue (I + II) | | 49,35,73,851 | 11,19,78,893 |
| IV) Expenses | | | |
| (a) Cost of raw material consumed | 14 | - | - |
| (b) Purchase of Stock-in-Trade | | 59,50,74,359 | 11,19,53,897 |
| (c) Changes in inventories of finished goods, work-in-progress and stock | 15 | (10,26,24,292) | - |
| (d) Employee benefits expense | 16 | 1,20,000 | - |
| (e) Finance costs | 17 | 3 | 33 |
| (f) Depreciation and amortization expense | | - | - |
| (d) Other Expenses | 18 | 37,099 | 22,582 |
| Total Expense | | 49,26,07,168 | 11,19,76,512 |
| Profit before tax & extraordinary Items | | 9,66,682 | 2,381 |
| Prior Period Items | | - | - |
| V) Profit before tax (III - IV) | | 9,66,682 | 2,381 |
| VI) Tax expense: | | | |
| (a) Current tax/ (Current tax MAT) | | 2,74,950 | 450 |
| Less : MAT credit entitlement | | - | (450) |
| Net current tax | | 2,74,950 | - |
| (b) Deferred Tax | | - | - |
| VII) Profit after tax for the year (V - VI) | | 6,91,732 | 2,381 |
| Earnings per equity share | 19 | | |
| (a) Basic | | 69.17 | 0.24 |
| (b) Diluted | | 69.17 | 0.24 |
| Significant accounting policies | 2 | | |
| Notes forming part of the financial statements | 20-21 | | |

As per our report of even date .

for D.V.Ramana Rao & Co.
Chartered Accountants
Registration No. : 029185



D.V. Subba Rao
Partner
Membership No. : 023845

for and on behalf of the Board of Directors

GBM Ratna Kumari
Director
DIN: 00492520

GS. Keerthana
Director
DIN: 05211918

Place : Eluru
Date : 06.09.2019

Vaibhav Jewellers Private Limited

Cash Flow Statement for the year ended 31st March, 2019

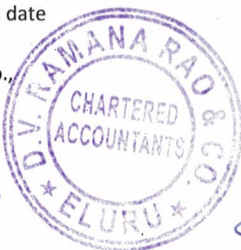
(Amount in ₹)

| Particulars | For the year period ended | |
|--|---------------------------|-----------------|
| | 31st March 2019 | 31st March 2018 |
| A) Net Cash Flows from Operating Activities | | |
| Net profit before tax and extraordinary items | 9,66,682 | 2,381 |
| Adjustments for : | | |
| Depreciation | - | - |
| Interest Expense | 3 | 33 |
| Interest income | - | - |
| Operating profit before working capital changes | 9,66,685 | 2,414 |
| Adjustments for working capital changes | | |
| Long-term loans and advances | - | - |
| Other non-current assets | - | - |
| Trade Receivables | (12,03,216.52) | (510.00) |
| Inventories | (10,26,24,292) | - |
| Short-term Loans and Advances | (30,82,484) | (902) |
| Other Current assets | - | - |
| Long-term Provisions | - | - |
| Trade payables | 3,62,00,126 | - |
| Other current liabilities | 10,87,72,201 | 1,30,104 |
| Short term provisions | 2,74,017.00 | 483.00 |
| Cash generated from operations | 3,93,03,036 | 1,31,589 |
| Income tax paid | (2,74,950) | - |
| Net Cash flows from/(used in) operating activities | 3,90,28,086 | 1,31,589 |
| B) Net Cash flows from Investing Activities | | |
| Purchase of Fixed Assets | - | - |
| Interest Received | - | - |
| Net Cash flow from/(used in) Investing Activities | - | - |
| C) Net Cash flows from Financing Activities | | |
| Proceeds from Shares | - | - |
| Proceeds from Share application money | - | - |
| Proceeds/ (repayment) from or of Long-term borrowings | - | - |
| Increase/ (Decrease) in Short-term borrowings | 9,08,081 | 4,200 |
| Interest Paid | (3) | (33) |
| Net Cash Flow from/(used in) Financing Activities | 9,08,078 | 4,167 |
| Net change in cash and cash equivalents (A + B + C) | 3,99,36,164 | 1,35,756 |
| Cash and Cash equivalents at the beginning of the year | 11,48,381 | 10,12,625 |
| Cash and Cash equivalents at the ending of the year | 4,10,84,545 | 11,48,381 |
| Increase/(Decrease) in Cash and Cash equivalents | 3,99,36,164 | 1,35,756 |

As per our report of even date

for D.V.Ramana Rao & Co.,
Chartered Accountants
Registration No. : 029185

D.V. Subba Rao
Partner
Membership No. : 023845



for and on behalf of the Board of Directors

GBM Ratna Kumari
Director
DIN: 00492520

GS. Keerthana
Director
DIN: 05211918

Place : Eluru
Date : 06.09.2019

Vaibhav Jewellers Private Limited

1. Company overview:

M/s. Vaibhav Jewellers Private Limited (CIN: U36911AP2004PTC042941) is incorporated in year 2004 under the provisions of the Companies Act 1956. The company is incorporated to carry on the business of gold smiths, silver smiths and jewellers.

2) Significant Accounting Policies

2.1) Basis of Preparation

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) Method of Accounting:

The Company generally follows Mercantile system of Accounting and recognizes income and expenditure on accrual basis.

2.3) Tangible Assets:

Since there are no fixed assets during the year, no depreciation has been provided.

2.4) Since the Company has not yet commenced business, there are no other significant policies to be disclosed.

2.5 Revenue Recognition

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.

2.6 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.

2.7 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.

(This space has been left blank intentionally)



Vaibhav 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 10,000 Equity Shares of ₹.100 each (Previous year: 10,000 Equity Shares of ₹.100 each) | 10,00,000 | 10,00,000 |
| | 10,00,000 | 10,00,000 |
| Issued Subscribed and Paid up Share Capital 10,000 Equity Shares of ₹.100 each (Previous year: 10,000 Equity Shares of ₹.100 each) | 10,00,000 | 10,00,000 |
| | 10,00,000 | 10,00,000 |

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 | 10,000 | 10,000 |
| Add: Allotment during the year | - | - |
| Less: Shares bought back during the year | - | - |
| Equity Shares at the end of the year | 10,000 | 10,000 |

3.2. Rights, preferences and restrictions attached to Shares

The Company has one class of equity shares having a par value of ₹.100/- 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 shares held by 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 | % |
| G.B.M.Ratna Kumari | 9,900 | 99.00% | 9,900 | 99.00% |

3.4. Note: The clauses (f), (h) to (l) of Note 6 (A) to Schedule III of the Companies Act, 2013 is not applicable.

4. Reserves and Surplus

(Amount in ₹)

| Particulars | As at | |
|---|------------------|-------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Surplus in Statement of Profit and Loss | | |
| Balance as at the beginning of the year | (2,62,814) | (2,65,195) |
| Profit/ (Loss) for the year | 6,91,732 | 2,381 |
| Balance as at the end of the year | 4,28,918 | (2,62,814) |

5. Short-term Borrowings

(Amount in ₹)

| Particulars | As at | |
|--|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Unsecured from Related Parties | | |
| GBM Ratna Kumari | 16,55,676 | 6,49,400 |
| GBM Ratna Kumari (HUF) | - | 98,195 |
| | 16,55,676 | 7,47,595 |

Terms of Borrowings:

1. Interest Rate is Nil
2. Repayable on Demand



Vaibhav Jewellers Private Limited

Notes forming part of the financial statements

6. Trade Payables

(Amount in ₹)

| Particulars | As at | |
|-------------------------------------|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Trade Payables: | | |
| Dues to Micro and Small enterprises | - | - |
| Dues to Others | 3,62,00,126 | - |
| | 3,62,00,126 | - |

7. Other current liabilities

(Amount in ₹)

| Particulars | As at | |
|---|---------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Other liabilities | | |
| Statutory liabilities | - | - |
| Creditors for expenses | 18,186 | - |
| Provision for expenses | 15,000 | 15,000 |
| Advances from customers | 10,89,03,544 | 1,49,529 |
| (including advance from related party of ₹. 10,89,02,942) | | |
| | 10,89,36,730 | 1,64,529 |

8. Short term provisions

(Amount in ₹)

| Particulars | As at | |
|------------------------------|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Provision for taxation (Net) | 2,74,500 | 483 |
| | 2,74,500 | 483 |

9. Inventories

(Amount in ₹)

| Particulars | As at | |
|----------------|---------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Finished goods | 10,26,24,292 | - |
| | 10,26,24,292 | - |

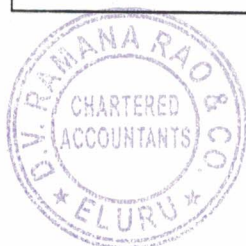
Note: Identification of a specific item and determination of estimated net realisable value involve technical judgments of the management, which has been relied upon by the auditors.

10. 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 | - | - |
| Others | 12,03,727 | 510 |
| | 12,03,727 | 510 |

(This space has been left blank intentionally)



Vaibhav Jewellers Private Limited

Notes forming part of the financial statements

11. Cash and Bank Balances

(Amount in ₹)

| Particulars | As at | |
|---------------------------|------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Cash and cash equivalents | | |
| Cash on hand | 8,41,600 | 9,80,000 |
| Balances with banks | | |
| - In Current A/cs | 4,02,42,945 | 1,68,381 |
| - In Deposit A/cs | - | - |
| | 4,10,84,545 | 11,48,381 |

12. 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 | | |
| G.S.V.Amarendra | 5,00,000 | 5,00,000 |
| MAT credit entitlement | - | 450 |
| Other taxes | 30,83,386 | 452 |
| | 35,83,386 | 5,00,902 |

13. Revenue from operations

(Amount in ₹)

| Particulars | For the year ended | |
|------------------------|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Sale of Gold (Bullion) | 24,88,47,021 | 11,19,78,893 |
| Sale of Gold Jewellery | 24,47,26,830 | - |
| | 49,35,73,851 | 11,19,78,893 |

14. Purchase of Stock-in-Trade

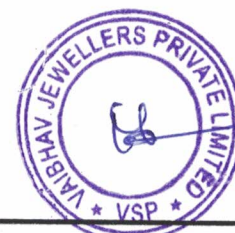
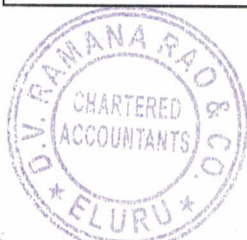
(Amount in ₹)

| Particulars | For the year ended | |
|----------------------------|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Purchase of Gold (Bullion) | 35,12,44,504 | 11,19,53,897 |
| Purchase of Gold Jewellery | 24,38,29,855 | - |
| | 59,50,74,359 | 11,19,53,897 |

15. Changes in inventories

(Amount in ₹)

| Particulars | For the year ended | |
|------------------------------------|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Stock at the end of the year | | |
| Finished goods | 10,26,24,292 | - |
| | 10,26,24,292 | |
| Stock at the beginning of the year | | |
| Finished goods | - | - |
| | - | - |
| | (10,26,24,292) | - |



Vaibhav Jewellers Private Limited

Notes forming part of the financial statements

16. Employee benefits expense

(Amount in ₹)

| Particulars | For the year ended | |
|-------------|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Salaries | 1,20,000 | - |
| | 1,20,000 | - |

17. Finance Costs

(Amount in ₹)

| Particulars | For the year ended | |
|---|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Interest Expense | | |
| Interest on shortfall in payment of advance tax | 3 | 33 |
| | 3 | 33 |

18. Other expenses

(Amount in ₹)

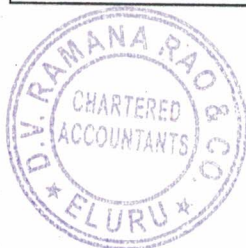
| Particulars | For the year ended | |
|-------------------------|--------------------|------------------|
| | 31st March, 2019 | 31st March, 2018 |
| Remuneration to Auditor | | |
| for audit services | 15,000 | 15,975 |
| for taxation matters | - | - |
| for other matters | - | - |
| out of pocket expenses | - | - |
| Bank Charges | 1,899 | 607 |
| Rates and Taxes | - | 600 |
| ROC Expenses | 2,200 | 2,400 |
| Consultancy charges | 18,000 | 3,000 |
| | 37,099 | 22,582 |

19. 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 | 6,91,732 | 2,381 |
| Add/(Less): Prior period items | - | - |
| | 6,91,732 | 2,381 |
| b) Number of Shares for Basic/ Diluted EPS | | |
| No. of Equity Shares | 10,000 | 10,000 |
| c) Basic/Diluted Earning per Share | 69.17 | 0.24 |

(This space has been left blank intentionally)



Vaibhav Jewellers Private Limited

Notes forming part of the financial statements

20. Reporting on related parties

a) List of related parties

| Nature of relationship | Name of the related party |
|--|---|
| 1. Key Management Personnel (KMP) | Mrs. G.B.M.Ratna Kumari Ms. GS. Keerthana |
| 2. Relatives of KMP | Ms. GS. Sindhuri |
| 3. Enterprises over which KMP having Significant Influence | Manoj Vaibhav Gems 'N' Jewellers Private Limited GBM Ratna Kumari (HUF) Vaibhav Sky Scapes Limited Harshil Enterprises (India) Private Limited Vaibhav Sign Tower Private Limited Vaibhav Hospitalities Private Limited Vaibhav Hotels & Leisures (Visakhapatnam) Private Limited Vaibhav Green Energy Private Limited Vaibhav Goldfin Services Private Limited Vaibhav Golden Avenues Private Limited Emerge Enterprises (India) Private Limited |

b) Transactions with related parties during the year (Net)

(Amount in ₹)

| Particulars | For the year ended | |
|--|--------------------------------|--------------------|
| | 31st March, 2019 | 31st March, 2018 |
| 1. Key Management Personnel (KMP) Advance repaid/ (taken) GBM Ratna Kumari | (10,06,276) | (4,200) |
| 2. Enterprises over which director is having significant influence Net Purchases/ (Net Sales) Manoj Vaibhav Gems 'N' Jewellers Private Limited GBM Ratna Kumari (HUF) | (2,06,65,589) (3,93,15,974) | (1,60,59,740) - |

c) Balances outstanding at year end

(Amount in ₹)

| Particulars | For the year ended | |
|--|--|--|
| | 31st March, 2019 | 31st March, 2018 |
| Receivable/ (payable) by year end GBM Ratna Kumari GBM Ratna Kumari (HUF) GSV Amarendra Manoj Vaibhav Gems 'N' Jewellers Private Limited | (16,55,676) (10,89,02,942) 5,00,000 12,03,727 | (6,49,400) (98,195) 5,00,000 (40,289) |

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

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

As per our report of even date

for D.V.Ramana Rao & Co.
Chartered Accountants
Registration No. : 029185

D.V.Subba Rao
Partner
Membership No. : 023845

for and on behalf of the Board of Directors

GBM Ratna Kumari
Director
DIN: 00492520

GS. Keerthana
Director
DIN: 05211918

Place : Eluru
Date : 06.09.2019