



CIN:- U74999GJ2017PLC098438

# S. M. Gold Limited.

Date: 03.09.2019

To,  
The Manager,  
Department of Corporate Services (DCS-Listing)  
BSE limited  
P.J. Towers,  
1st Floor, Dalal Street,  
  
Mumbai-400 001

Dear Sir,

Ref No: Company Code: BSE SME-542034  
Sub: Annual Report- F.Y 2018-19

With reference to the above subject and as per Regulation 34 of SEBI (LODR) Regulations, 2015 We are enclosing herewith 2<sup>nd</sup> Annual Report of the company for the financial year 2018-19

You are therefore requested to take this into your official records and oblige.

Thanking You

Yours faithfully

For, S. M. Gold Limited

**PRIYANK S. SHAH**  
DIRECTOR  
DIN: 07878194



-: REGISTERED OFFICE :-

Shop No-1, 916 Building, Opp. Luhar Ni Pole M.G Haveli Road, Manekchowk Ahmedabad-380001, Gujarat.

Email: [compliancesmgold@gmail.com](mailto:compliancesmgold@gmail.com) | Contact: 079 - 2211 4411, +91 94281 38019, 9428980017 | Website: [www.smgold.in](http://www.smgold.in)

# ANNUAL REPORT

2018-19



S. M. GOLD LIMITED



CIN:- U74999GJ2017PLC098438

**S. M. Gold Limited.**

**BOARD OF DIRECTORS**

Mr. Pulkitkumar Sureshbhai Shah : Managing Director  
Mr. Priyank Sureshkumar Shah : Executive Director  
Mrs. Nitaben Sureshkumar Shah : Non-Executive Director  
Mr. Nilesh Babulal Salla : Non-Executive Independent Director

**CHIEF FINANCIAL OFFICER**

Mr. Priyank Sureshkumar Shah

**COMPLIANCE OFFICER**

Mr. Pulkitkumar Sureshbhai Shah

**STATUTORY AUDITORS**

**BHAGAT & CO.**

Chartered Accountant

**BANKERS TO THE COMPANY**

**YES BANK LIMITED**

Ground floor, Shop No 1, Ganguram Chambers, Gheekanta Cross road  
Relief Road Ahmedabad 380001

**REGISTERED OFFICE**

Shop No-1916 Building opp. Luhar Ni Pole  
Manekchowk Ahmedabad - 380001

**REGISTRAR & TRANSFER AGENT**

**KARVY FINTECH PRIVATE LIMITED**

Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad 500 032



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**S. M. Gold Limited.**

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**S. M. Gold Limited.**

**NOTICE** is hereby given that the **2<sup>nd</sup> ANNUAL GENERAL MEETING** of the members of **S. M. GOLD LIMITED** ("the Company") will be held as scheduled below:

Date : 30<sup>th</sup> day of September, 2019

Day : Monday

Time : 2:00 P.M.

Place : At registered office of the Company situated at

**SHOP NO-1,916 BUILDING, OPP.LUHAR NI POLE M.G HAVELI ROAD , MANEKCHOWK AHMEDABAD Ahmedabad 380001**

To transact the following business:

**ORDINARY BUSINESS:**

1. To Receive, Consider and Adopt Audited Financial Statement of the Company for the financial year ended on March 31<sup>st</sup>, 2019 together with Report of Board of Directors and Auditors' Report thereon.
2. To Appoint a Director in place of **Mr. Nitaben Sureshkumar Shah (DIN: 07909293)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

**3. Appoint of Mr. Nilesh Babulal Salla (DIN: 08474937) as an Independent Director**

To consider and, if thought fit, to give your assent/dissent to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT pursuant** to the provisions of Section 161 of the Companies Act, 2013, **Mr. NILESH BABULAL SALLA (DIN:08474937)** Who was appointed as an Additional Independent Director on the Board of the Company w.e.f 10<sup>th</sup> June, 2019, who shall hold office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company Not liable to retire by rotation for a period of five (5) consecutive years.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to sign the form DIR-12 and make arrangement to file the same with Registrar of Companies and intimate to Stock Exchange(s) and to take such other steps as may be necessary in this regard."

**Place: Ahmedabad**

**Date: 02nd September, 2019**

**Registered Office:**

Shop No-1,916 Building,

Opp.Luhar Ni Pole M.G Haveli Road ,

Manekchowk Ahmedabad 380001

Gujarat, India

**BY ORDER OF THE BOARD OF DIRECTORS OF  
S. M. GOLD LIMITED**

**SD/-**

**Pulkitkumar Sureshbhai Shah  
Managing Director**



# S. M. Gold Limited.

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% 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 SHAREHOLDER.

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
3. The Statement pursuant to section 102(1) of the Companies act, 2013, which sets out details relating to the special business to be transacted at the Meeting, is annexed hereto.
4. **The Register of Members and Share Transfer Books will remain closed from 23<sup>rd</sup> September, 2019 to 30<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General Meeting (AGM).**
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
6. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
7. The Shareholders holding Shares in Physical form are advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
8. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may be filed with the respective Depository Participant.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.



# S. M. Gold Limited.

11. Members are requested to notify immediately any change in their addresses and/or the Bank Mandate details to the Company's Registrars and Share Transfer Agents, KARVY FINTECH PRIVATE LIMITED for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
12. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication. The Annual Report of the company will also be available on the Company's website [www.smgold.in](http://www.smgold.in)
13. All the Documents referred to in the notice are open for inspection at the registered office of the Company between 11 A.M. to 5.00 P.M on any working day prior to the day of meeting and will also be available at the meeting venue on the date of meeting.
14. **The Company being listed on SME Exchange and in view of provisions of Rule 20 of the Companies (Management and Administration) Rules 2014 is not mandatory to provide remote e-voting facility to its member.**

**15. BRIEF PROFILE OF THE DIRECTOR/S SEEKING APPOINTMENT / REAPPOINTMENT AT ANNUAL GENERAL MEETING**

Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India in respect of Directors seeking re-appointment/appointment/ confirmation at the ensuing Annual General Meeting item no. 2 and 3 are as follows.

Particular	Mrs. Nitaben S Shah	Mr. Nilesh Babulal Salla
Date of Birth	07/03/1967	04/02/1975
Date of Appointment	25/06/2018	10/06/2019
Qualification	She has done Matriculation.	He has done Matriculation.
Relationships between directors inter se	She is Mother of Priyank S Shah and Pulkit S Shah.	NO
Directorship held in other companies	Nil	Nil
Membership/Chairmanships of Committee in other Public Companies	Nil	Nil



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**S. M. Gold Limited.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**ITEM NO - 3:**

Mr. Nilesh Babulal Salla was appointed as an additional director under the category of Independent Director of the Company w.e.f 10.06.2019 Under section 161 of the Companies Act, 2013, Mr. Nilesh Babulal Salla holds his office up to the date of ensuing Annual General Meeting. Due notice under section 160 of the Act has been received to propose him as a candidate for the office of Director of the Company.

The Board is also of the opinion that based on the declarations submitted by Mr. Nilesh Babulal Salla, he fulfills the criteria relating to his independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Mr. Nilesh Babulal Salla does not hold any equity share of the Company. The period of office of Mr. Nilesh Babulal Salla shall not be liable to determination by retirement of Directors by rotation, in terms of Section 149 (13) of the Companies Act, 2013 and the relevant rules made there under.

Brief profile of Mr. Nilesh Babulal Salla in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice. Mr. Nilesh Babulal Salla is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Board recommends passing of the resolution as set out in Item No. 3 of this Notice. None of the Director of the Company except Mr. Nilesh Babulal Salla is concerned or interested in this resolution.

**Place: Ahmedabad**

**Date: 02<sup>nd</sup> September, 2019**

**Registered Office:**

Shop No-1,916 Building,  
Opp.Luhar Ni Pole M.G Haveli Road ,  
Manekchowk Ahmedabad 380001  
Gujarat, India

**BY ORDER OF THE BOARD OF DIRECTORS OF  
S. M. GOLD LIMITED**

**SD/-  
Pulkitkumar Sureshbhai Shah  
Managing Director**





## **DIRECTORS REPORT**

To,

The Members,

Your Directors have pleasure in presenting their Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

### **1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY (STANDALONE)**

The Board's Report is prepared based on the stand alone financial statements of the company.

(Amount in Rs)

<b>PARTICULAR</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Total Income for the year was</b>	<b>26,40,22,379</b>	<b>13,54,07,714</b>
<b>Operating &amp; Administrative expenses</b>	<b>28,61,249</b>	<b>3,45,786</b>
<b>Profit/(Loss) Before Depreciation And Taxes</b>	<b>5,57,062</b>	<b>26,27,513</b>
<b>Less: Depreciation</b>	<b>2,75,500</b>	<b>1,87,012</b>
<b>Net Profit/(Loss) Before Tax</b>	<b>2,81,562</b>	<b>24,40,501</b>
<b>Less: Provision For Tax</b>	<b>73,000</b>	<b>6,40,198</b>
<b>Deferred Tax</b>	<b>-</b>	<b>4,820</b>
<b>Profit/(Loss) After Tax</b>	<b>2,08,562</b>	<b>17,95,483</b>
<b>EPS</b>	<b>0.03</b>	<b>0.62</b>

### **2. OPERATION & REVIEW**

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2019 and Statement of Profit & Loss together with Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2019 and Report of the Board of Directors and Auditors thereon.

Total Revenue from operation of the company is Rs.26,40,22,379 /- And the net Profit after tax is Rs. 2,08,562 For the Financial year 2017-18.

### **3. DIVIDEND**

The Board of Directors of Your Company has not recommended any dividend for the Financial Year ended 31st March 2019

### **4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed dividend, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### **5. TRANSFER TO RESERVES**

During the year under review, the Company has transferred Rs. 2,48,512 amount to General Reserves account.

### **6. CHANGE IN THE NATURE OF THE BUSINESS**

During the year, there is no change in the nature of the business of the Company.



## 7. DIRECTORS & KEY MANAGERIAL PERSONNEL

### Appointments

- During the Year under review **Mrs. Nitaben Sureshkumar Shah** is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer herself for re- appointment.
- During the Year Under Review the board of director has appointed Mrs. Nitaben S Shah as Non Executive Director, Mrs. Nidhi jain as Non executive Independent Director w.e.f. 25.06.18 and both are Regularised in Previous Annual general Meeting.
- During the Year under review the board of director has appointed Mrs. Noopur jain as Company Secretary of the Comapny w.e.f. 05.09.18 and Mr. Nilesh Babulal Salla as Additional Independent Director w.e.f 10.06.19 and regularised him in forthcoming Annual General Meeting.

### Resignation

- During the Year under review Mrs. Nidhi Jain, Mr. Manohar bharatbhai Chunara resigns from the Directorship of the Company and Mrs. Noopur Jain resigns from the post of Company Secretary of the Comapny.

## 8. NUMBER OF BOARD MEETINGS

The Board of Directors duly met Eight (8) times on 25/06/2018, 30/07/2018, 05/09/2018, 15/10/2018, 29/10/2018, 14/11/2019, 01/01/2019, 15/02/2019 in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

## 9. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015 The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee. The evaluation covered functioning and composition of the Board and its committees, understanding of the roles and responsibilities, experience, competencies, participation at the Board and Committee meetings, corporate governance practices etc.

Evaluation of the Board and its compositions was carried out through a defined process covering the areas of the Boards functioning viz. composition of the Board and Committees, understanding of roles and responsibilities, experience and competencies, contribution at the meetings etc.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit/loss of the company for that period;



- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial Controls with reference to Financial Statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

During the year, such Controls were tested and no reportable material weakness was observed

## **12. CHANGE IN CAPITAL STRUCTURE OF COMPANY**

During the year under review, the Company has come out with an Initial Public offer of 25,00,000 equity shares of Rs. 10/- each at a price Rs. 30/-per share (Including Premium of Rs. 20/- Per share)

## **13. MATERIAL CHANGES AND COMMITMENTS, IF ANY**

- During the Period under review the company got Listed its shares on BSE SME platform w.e.f. 19<sup>th</sup> October 2018
- Except as mentioned above there are No other material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

## **14. EXTRACT OF THE ANNUAL RETURN**

The Extract of Annual Return as required under section 134(3)(a) read with Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9, is annexed herewith as "Annexure - A"

## **15. AUDITORS AND THEIR REPORT**

### **• STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. BHAGAT & CO, Chartered Accountants (FRN: 127250W) the Statutory Auditors of the Company have been appointed in the annual General Meeting held on 30th September, 2018 for a term of 5 years with no further need for ratification at every Annual General Meeting to be held during the said period.

The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company. Necessary resolution for appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

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



• **COST AUDITORS**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit is not applicable to the Company.

**16. DEPOSITS**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

**17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

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

**18. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

In terms of rule (9) of the Companies (Accounts) Rules, 2014 The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the year, the Company has not given any loan, guarantee or provided security in connection with the loan to any other body corporate or person or made any investments hence no particulars of the loans, guarantees or investments falling under the provisions of Section 186 of the Companies Act, 2013 are provided by the Board.

**20. RELATED PARTY TRANSACTIONS**

During the year under review, contracts or arrangements entered into with the related party, as defined under section 188 of the companies Act, 2013 were in ordinary course of business and on arms' length basis. Details of the transactions pursuant to compliance of section 134(3)(h) of the companies act, 2013 and rule 8(2) of the companies (Accounts) Rule, 2014 are annexed herewith as per "Annexure – B".

However, there are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

**21. SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is no significant and material order was passed by regulators or courts or tribunals impacting the going concern status and company's operations in future.

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

**A. CONSERVATION OF ENERGY:**

- I. the steps taken or impact on conservation of energy : **Nil**
- II. the steps taken by the company for utilising alternate sources of energy : **None**
- III. the capital investment on energy conservation equipments : **Nil**

**B. TECHNOLOGY ABSORPTION:**

- I. the efforts made towards technology absorption : **None**



- II. The benefits derived like product improvement, cost reduction, product development or import substitution: **None**
- III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- a) The details of technology imported: **None**
- b) The year of import: **N.A.**
- c) Whether the technology been fully absorbed: **N.A.**
- d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **N.A.**
- e) The expenditure incurred on Research and Development: **Nil**

C. There was no foreign exchange inflow or Outflow during the year under review

23. **AUDIT COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE/ SEXUAL HARASSMENT COMMITTEE**

• **Audit Committee**

**Constitution & Composition of Audit Committee:**

Our Company has formed the Audit Committee vide resolution passed in the meeting of Board of Directors held on July 30, 2018 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 18 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares).

The composition of the Audit Committee and details of meetings attended by the members of the Audit Committee are given below:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
Mrs. Nidhi jain	Chairman	Non-Executive-Independent Director	1	1
Mr. Manohar B Chunara	Member	Non-Executive-Independent Director	1	1
Mrs. Nitaben S Shah	Member	Non-Executive- Director	1	1

• **Nomination and Remuneration Committee:**

**Constitution & Composition of Remuneration Committee:**

Our Company has formed the Nomination and Remuneration Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 19 of SEBI Listing Regulations (applicable upon listing of Company's Equity Shares)vide board resolution dated July 30, 2018 . The Nomination and Remuneration Committee comprises the following members:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended



<b>Mr. Manohar B Chunara</b>	Chairman	Non-Executive-Independent Director	1	1
<b>Mrs. Nidhi Jain</b>	Member	Non-Executive-Independent Director	1	1
<b>Mrs. Nitaben S Shah</b>	Member	Non-Executive- Director	1	1

The Policy of nomination and Remuneration committee has been place on the website of the company at [www.smgold.in](http://www.smgold.in) and the salient features of the same has been disclosed under “Annexure – C”

• **Stakeholder’s Relationship Committee:**

**Constitution & Composition of Stakeholders Relationship Committee:**

Our Company has formed the Stakeholders Relationship Committee as per Section 178 and other applicable provisions of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended) and also to comply with Regulation 20 of SEBI Listing Regulations (applicable upon listing of Company’s equity shares)vide board resolution dated July 30, 2018.

The constituted Stakeholders Relationship Committee comprises the following members:

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
<b>Mrs. Nitaben S Shah</b>	Chairman	Non-Executive- Director	1	1
<b>Mr. Manohar B Chunara</b>	Member	Non-Executive-Independent Director	1	1
<b>Mr. Priyank Shah</b>	Member	Executive- Director	1	1

• **Sexual Harassment Committee**

**Constitution & Composition of Sexual Harassment Committee:**

The Sexual Harassment Committee was constituted by the Board of Directors at the meeting held on February 05, 2018 in compliance with the Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act, 2013.

Name	Designation	Category	No. of Meetings held during the Period	
			Held	Attended
<b>Mrs. Nitaben S Shah</b>	Chairman	Non-Executive-Director	1	1
<b>Mrs. Nidhi Jain</b>	Member	Non-Executive-Independent Director	1	1
<b>Priyank Shah</b>	Member	Executive- Director	1	1

**24. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and analysis Report as Required under Regulation 34 and Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report, and provides the companies’ current working and future outlook of as per “Annexure – D”



**25. CORPORATE GOVERNANCE**

Since the Company's Securities are not listed during the year under review, Regulation 15(2) of SEBI (Listing Obligation and Disclosures requirement) Regulation, 2015, Report on Corporate Governance is not applicable to Our Company, hence Company has not obtained a Certificate from a Practicing Company Secretaries certifying the same.

**26. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the continuous support received from the Members, customers, suppliers, bankers, various statutory bodies of the Government of India and the Company's employees at all levels.

**DATE: 02/09/2019**

**PLACE: AHMEDABAD**

**For and on behalf of Board**

**SD/-**

**Priyank S Shah  
Director**

**SD/-**

**Pulkit S Shah  
Managing Director**



CIN:- U74999GJ2017PLC098438

# S. M. Gold Limited.

"Annexure - A"

## Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2018

[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	U74999GJ2017PLC098438
ii.	Registration Date	26/07/2017
iii.	Name of the Company	S. M. GOLD LIMITED
iv.	Category/Sub-Category of the Company	Company limited by Shares/ Indian Non-govt company
v.	Address of the Registered office and Contact details	Shop No-1,916 Building,Opp.Luhar Ni Pole M.G Haveli Road , Manekchowk Ahmedabad 380001 E-mail Id – <a href="mailto:compliancesmgold@gmail.com">compliancesmgold@gmail.com</a> Tele No.- 079-22114411/9428980017
vi.	Whether listed company	Listed
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Karvy Fintech Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Hyderabad, Telangana, 500032 Tel. No. – 040-67162222 Website - <a href="http://www.karisma.karvy.com">www.karisma.karvy.com</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	Wholesale of Gold and Silver Ornaments	46498	100%







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# S. M. Gold Limited.

e) Venture Capital Funds	-	-	-	-	-	-	-	-	0
f) Insurance Companies	-	-	-	-	-	-	-	-	0
g) FII's	-	-	-	-	-	-	-	-	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0
i) Others (specify)	-	-	-	-	-	-	-	-	0
Sub-total(B)(1)	-	-	-	-	-	-	-	-	0
<b>2. Non Institutions</b>									
a) Bodies Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	100	100	0.01	1,08,100	-	1,08,100	1.62	1.61
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	4,20,000	-	4,20,000	6.28	6.28
Others(Specify)	-	-	-	-	19,72,000	-	19,72,000	29.47	29.47
Sub-total(B)(2)	-	100	100	0.01	25,00,100	-	25,00,100	37.36	37.36
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	<b>100</b>	<b>100</b>	<b>0.01</b>	<b>25,00,100</b>	-	<b>25,00,100</b>	<b>37.36</b>	<b>37.36</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>41,91,673</b>	<b>41,91,673</b>	<b>100</b>	<b>66,91,673</b>	-	<b>66,91,673</b>	<b>100</b>	<b>0</b>



**ii. Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 31 <sup>st</sup> March, 2018)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2019)			% change in share holding 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	
1.	Priyank S Shah	3921230	93.55	-	3921230	58.60	-	-34.95
2.	Pulkitkumar S Shah	270218	6.45	-	270218	4.04	-	-2.41
3.	Nitaben S Shah	25	0.001	-	25	0.00	-	-0.001
4.	Sureshkumar Shah	25	0.001	-	25	0.00	-	-0.001
5.	Krupaben Shah	25	0.001	-	25	0.00	-	-0.001
6.	Kruti P Shah	25	0.001	-	25	0.00	-	-0.001
7.	Brinda Shah	25	0.001	-	25	0.00	-	-0.001
	<b>Total</b>	<b>41,91,573</b>	<b>99.99</b>	<b>-</b>	<b>41,91,573</b>	<b>62.64</b>	<b>-</b>	<b>-37.35</b>

**iii. Change in Promoters' Share holding (please specify, if there is no change)**

Sr. No	For each of the Promoters	Shares	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.	<b>PRIYANK S SHAH</b>					
	At the beginning of the year		3921230	93.55	3921230	93.55
	Changes During the Year	-	-	-	-	-
	At the End of the year				<b>3921230</b>	<b>58.60</b>
2.	<b>PULKITKUMAR S SHAH</b>					
	At the beginning of the year		270218	6.45	270218	6.45
	Changes During the Year	-	-	-	-	-
	At the End of the year				<b>270218</b>	<b>4.04</b>
3.	<b>NITABEN S SHAH</b>					
	At the beginning of the year		25	0.001	25	0.001
	Changes During the Year	-	-	-	-	-
	At the End of the year				<b>25</b>	<b>0.00</b>
4.	<b>SURESHKUMAR SHAH</b>					
	At the beginning of the year		25	0.001	25	0.001



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	year					
	Changes During the Year	-	-	-	-	-
	<b>At the End of the year</b>				<b>25</b>	<b>0.00</b>
5	<b>KRUPABEN SHAH</b>					
	At the beginning of the year		<b>25</b>	<b>0.001</b>	<b>25</b>	<b>0.001</b>
	Changes During the Year	-	-	-	-	-
	<b>At the End of the year</b>				<b>25</b>	<b>0.00</b>
6	<b>KRUTI P SHAH</b>					
	At the beginning of the year		<b>25</b>	<b>0.001</b>	<b>25</b>	<b>0.001</b>
	Changes During the Year	-	-	-	-	-
	<b>At the End of the year</b>				<b>25</b>	<b>0.00</b>
7	<b>BRINDA P SHAH</b>					
	At the beginning of the year		<b>25</b>	<b>0.001</b>	<b>25</b>	<b>0.001</b>
	Changes During the Year	-	-	-	-	-
	<b>At the End of the year</b>				<b>25</b>	<b>0.00</b>

**iv. Shareholding pattern of Top Ten Shareholders**

Top ten shareholders are given on the basis of shareholding pattern as on 31.03.2019

Sr. No	For each of the Top ten Shareholders	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		Shares	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>VEERAM VENDORS PRIVATE LIMITED</b>					
	At the beginning of the year		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Purchase on 19/10/2018	308000			308000	4.60
	Purchase on 26/10/2018	56000			364000	5.44
	Purchase on 30/11/2018	108000			472000	7.05
	Purchase on 25/01/2019	28000			500000	7.47
	Sale on 01/03/2019	-96000			404000	6.04
	Sale on 29/03/2019	-64000			340000	5.08
	<b>At the end of the Year</b>				<b>340000</b>	<b>5.08</b>
2	<b>GLORIOUS VINCOM PRIVATE LIMITED</b>					
	At the beginning of the year		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Purchase on 19/10/2018	160000			160000	2.39
	Purchase on 29/03/2019	156000			316000	4.72
	<b>At the end of the Year</b>				<b>316000</b>	<b>4.72</b>
3	<b>LINKUP FINANCIAL CONSULTANTS PVT. LTD.</b>					
	At the beginning of the year		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Purchase on 19/10/2018	156000			156000	2.33
	Purchase on 29/03/2019	92000			248000	3.71
	<b>At the end of the Year</b>				<b>248000</b>	<b>3.71</b>
4	<b>DARSHAN ORNA LIMITED</b>					

At the beginning of the year		0	0	0	0
Purchase on 19/10/2018	220000			220000	3.29
Purchase on 21/12/2018	48000			268000	4.00
Sale on 01/03/2019	-52000			216000	3.23
<b>At the end of the Year</b>				<b>216000</b>	<b>3.23</b>
<b>5 VEERAM ORNAMENTS LIMITED</b>					
At the beginning of the year			0	0	0
Purchase on 19/10/2018	224000			224000	3.35
Purchase on 21/12/2018	24000			248000	3.71
Sale on 01/03/2019	-64000			184000	2.75
<b>At the end of the Year</b>				<b>184000</b>	<b>2.75</b>
<b>6 LAGAN BARTER PRIVATE LIMITED</b>					
At the beginning of the year			0	0	0
Purchase on 19/10/2018	156000			156000	2.33
<b>At the end of the Year</b>				<b>156000</b>	<b>2.33</b>
<b>7 VICTORIA CLOTH MERCHANTS PVT. LTD.</b>					
At the beginning of the year			0	0	0
Purchase on 19/10/2018	156000			156000	2.33
<b>At the end of the Year</b>				<b>156000</b>	<b>2.33</b>
<b>8 NNM SECURITIES</b>					
At the beginning of the year			0	0	0
Purchase on 19/10/2018	132000			132000	1.97
Purchase on 16/11/2018	4000			136000	2.03
Sale on 30/11/2018	-4000			132000	1.97
Sale on 08/03/2019	-4000			128000	1.91
Purchase on 15/03/2019	4000			132000	1.97
Sale on 22/03/2019	-4000			128000	1.91
Purchase on 29/03/2019	4000			132000	1.97
<b>At the end of the Year</b>				<b>132000</b>	<b>1.97</b>
<b>9 VIVID OFFSET PRINTERS PRIVATE LIMITED</b>					
At the beginning of the year			0	0	0
Purchase During the Year	80000			80000	1.20
<b>At the end of the Year</b>				<b>80000</b>	<b>1.20</b>
<b>10 CHIRAGKUMAR MAKWANA</b>					
At the beginning of the year			0	0	0
Purchase During the Year	64000			64000	0.96
<b>At the end of the Year</b>				<b>64000</b>	<b>0.96</b>

(Other than Directors, Promoters and Holders of GDRs and ADRs)

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. no	For each of the Promoters	Shares	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
<b>1.</b>	<b>PRIYANK S SHAH</b>					
	At the beginning of the year		3921230	93.55	3921230	93.55
	Changes During the Year	-	-	-	-	-
	<b>At the End of the year</b>				<b>3921230</b>	<b>58.60</b>
<b>2.</b>	<b>PULKIT S SHAH</b>					



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	At the beginning of the year		270218	6.45	270218	6.45
	Changes During the Year	-	-	-	-	-
	At the End of the year				<b>270218</b>	<b>4.04</b>
<b>3.</b>	<b>NITABEN SURESHKUMAR SHAH</b>					
	At the beginning of the year		25	0.001	25	0.001
	Changes During the Year	-	-	-	-	-
	At the End of the year				<b>25</b>	<b>0.00</b>

Shareholding of Directors and KMP are given on the basis of Directorship as on 31.03.2019

**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	-	12,69,129	-	12,69,129
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>12,69,129</b>	<b>-</b>	<b>12,69,129</b>
Change in Indebtedness during the financial year				
- Addition	1,47,28,017			
- Reduction		-971029		
<b>Net Change</b>	<b>1,47,28,017</b>	<b>2,98,100</b>		<b>1,50,26,117</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1,47,28,017	2,98,100		
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>1,47,28,017</b>	<b>2,98,100</b>		<b>1,50,26,117</b>

**v. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Pulkit S Shah MD	Priyank S Shah WTD	

1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b)Value of perquisites u/s 17(2) Income-tax Act, 1961  (c)Profits in lieu of salary under section 17(3) Income- tax Act,1961	1,80,000 - -	1,80,000	3,60,000 - -
2.	Stock Option	-		-
3.	Sweat Equity	-		
4.	Commission - as % of profit - Others, specify...	-		-
5.	Others, please specify	-		-
6.	Total(A)	1,80,000	1,80,000	3,60,000
	Ceiling as per the Act	Within the Limit of Companies Act 2013		

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager****B. Remuneration to other directors: N.A**

Sl. No.	Particulars of Remuneration	Name of Directors				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					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: N.A**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of	-	-	-	



	the Income-tax Act,1961 (b)Value of perquisites u/s 17(2)Income-tax Act,1961 (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				

vi. **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

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)
<b>A. Company</b>					
Penalty					
Punishment					
Compoundig					
<b>B. Directors</b>					
Penalty					
Punishment					
Compoundig					
<b>C. Other Officers In Default</b>					
Penalty					
Punishment					
Compoundig					





**ANNEXURE – B**  
**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 arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>There were no transactions or arrangement which were not at Arm’s Length Basis.</b>
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions’	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

SL. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	<b>Pulkit S Shah</b> He is a son of Nitaben S Shah, Brother of Priyank S Shah and Managing Director of the company	<b>Priyank S Shah</b> He is a son of Nitaben S Shah, and Brother of Pulkit S Shah and Whole time Director of the company
b)	Nature of contracts/arrangements/transaction	Remuneration - 1,80,000 Loan & Advances - 6,70,000	Remuneration 1,50,000/-
c)	Duration of the contracts/arrangements/transaction	NA	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA	NA



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e)	Date of approval by the Board	25/06/2018	25/06/2018
f)	Amount paid as advances, if any	NA	NA

DATE: 02/09/2019  
PLACE: AHMEDABAD

For and on behalf of Board  
SD/- SD/-  
Priyank S Shah Pulkit S Shah  
Director Managing Director





## ANNEXURE – C

### Policy of Nomination and Remuneration Committee of the Company

#### Policy for Identification Of Persons For Appointment And Removal As Director And Senior Managerial Personnel

The Committee shall:

1. Identify and ascertain the honesty, reliability, qualification, expertise and experience of the person for appointment as Director or Senior Managerial Personnel and recommend the Board accordingly.
2. The committee must ensure itself regarding the capabilities and eligibilities of the proposed appointee(s) and must ensure that the proposed appointee shall be able to devote the required time as may be necessary.
3. The Committee shall be at discretion to decide whether qualification, expertise and experience possessed by the person is adequate for the proposed position.
4. Any other assessment as may be required must be carried out by the Committee and on being satisfied with the overall eligibility of the person, the committee shall recommend his/her appointment to the Board accordingly.
5. With respect to Independent Directors of the Company the committee shall additionally ensure the independence of the Director as per the applicable provisions of Companies Act, 2013 and the Rules made there under.
6. The Committee may recommend to the Board with the reasons recorded in writing, the removal of Director or Senior Managerial Personnel based on any disqualification that may be applicable as per the provisions of Companies Act, 2013 and the rules made there under or for any other reasons as may be justified by the Committee.

#### TERM OF APPOINTMENT:

The term of Appointment of Managing Director/ Whole Time Directors and Independent Directors of the Company shall be as per the provisions of the Companies Act, 2013 and the Rules made there under.

#### RETIREMENT:

The Managing Director/ Whole Time Directors and Independent Directors of the Company shall be subject to retirement as per the applicable provisions of Companies Act, 2013 and the Rules made there under. The Committee will be at its discretion to recommend retention of Directors even after they have attained the retirement age for the benefit of the Company subject to fulfillment of the requirements as mentioned in Companies Act, 2013.

#### POLICY FOR EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

##### **1. Evaluation of performance of Board and Individual Directors:**

- a. Achievement of financial/ business targets as fixed by the Board;
- b. Proper development, management and execution of business plans;
- c. Display of leadership qualities i.e. correctly anticipating business trends and opportunities;
- d. Establishment of an effective organization structure;
- e. Participation in the Board/Committee Meetings;
- f. Integrity and maintenance of confidentiality;
- g. Any other criteria that may be considered necessary for the evaluation of the performance of the Board may be considered by the Committee.



**2. Evaluation of performance of Committee:**

- a. Discharge of its functions and duties as per its terms of reference;
- b. Effectiveness of the suggestions and recommendations received;
- c. Conduct of its meeting and procedures followed in this regard.

**3. Review of the Implementation of this policy:**

The Committee shall review the implementation and compliance of this policy at least once a year.

**POLICY FOR REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The remuneration of the Directors and Key Managerial Personnel must be in accordance with the provisions of Companies Act, 2013 and the Rules made there under. The committee must ensure that:

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.



## Annexure - D

### MANAGEMENT DISCUSSION AND ANALYSIS

#### Business Overview

Our Company was originally incorporated as S. M. Gold Private Limited on July 26, 2017 under the Companies Act, 2013 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, Our Company was converted in to a public limited company pursuant to a special resolution passed by our shareholders at the EGM held on August 12, 2017 and consequently name was changed to "S. M. Gold Limited" (SMGL) vide fresh certificate of incorporation dated August 24, 2017 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company has acquired the business of Proprietorship Concern of one of our Promoter- Mr. Priyank S. Shah viz, M/s S.M. Gold through the Business Succession Agreement dated August 03, 2018. The CIN of the Company is U74999GJ2017PLC098438. Consequently, the business of the proprietorship firm was merged into S. M. Gold Limited.

We are principally into the business of manufacturing and wholesale trading of mangalsutra jewellery. Besides mangalsutra jewellery, a minor part of business also includes other jewellery's like Rings, Chain, Earrings, Ear Chain, Nose-rings/Nose pins, waist belts, Anklet, Zuda, Toe Ring, Pendant Set/Pendant, Bracelet and Bangles., wedding Jewellery, festive Jewellery.

Our jewellery is mostly traditional in style and is handmade by our workers. We have an in-house designing team which designs the mangalsutra and other jewellery's in traditional, modern and indo-western style. We also directly purchase designs from other jewellery designers. Apart from manufacturing jewellery ourselves, we also get our mangalsutra and other jewellery's manufactured through job workers. These job workers are located in Ahmedabad, Rajkot, Kolkata and Mumbai. The raw material and design is provided by us to these job workers. The job workers take approximately 10-12 number of days to complete the finished jewellery. However, no formal agreement has been executed with either of these job workers. Besides, manufacturing and job work, we also purchase readymade mangalsutra and other jewellery's from other independent jewellery wholesalers located in Mumbai.

The jewellery sold by us is sold under the brand name of "S. M. Gold – the House of Mangalsutra". Our strength is in manufacturing Mangalsutra and Antique Jewellery. However, in order to cater to our customers taste, preference, choice and the ever changing trends in the jewellery, we offers our customers a wide variety of traditional, Indo-western, & modern jewellery also. We also customize the jewellery according to the individual needs, to keep pace with the latest trends in the market. As well as to satisfy our consumer requirements, we strive to continuously develop new jewellery designs and themes.

The major raw material used for making our mangalsutra and other jewellery's is gold, black pearls, stones, kundan etc. We source our gold bar from bullion market & local markets in Ahmedabad. Black pearls and other raw material is sourced from local market of Ahmedabad and from Jaipur.

Our promoters, Mr. Priyank S. Shah and Mr. Pulkitkumar S. Shah have 10 years and 8 years of experience in gems and jewellery industry, respectively.



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**OUR COMPETITIVE STRENGTHS:**

- Established brand name
- Quality Products
- Well established relationship with our Supplier

**OUR BUSINESS STRATEGIES**

- Innovation In Designing
- Enhancing Operating Effectiveness and Efficiency
- Continue to maintain strong relation with existing Customers
- Marketing

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company recognizes that its employees are integral part of its success. Sound human resource practices have been followed which is aligned with Company's philosophy. It believes that they are the vital asset responsible for continued success of the Company. Our Company wishes to put on record its deep appreciation for the co-operation and efforts of its employees for the betterment of the organization. The total number of employees as on 31st March, 2019 is 9.

**INTERNAL CONTROL:**

The Company has adequate internal control system, commensurate with the size of its operations. Adequate records and documents are maintained as required by laws. The Company's audit Committee reviewed the internal control system. All efforts are being made to make the internal control systems more effective. The strong internal control systems have been designed in such a way that, not only it prevent fraud and misuse of the Company's resources but also protect shareholders interest.

# **Independent Auditor's Report**

**To the Members of S M Gold Limited.**

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **S M Gold Limited**. ('the Company'), which comprise the balance sheet as at **31 March 2019**, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

## **Auditor's Responsibility**

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

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

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

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

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies(Auditor's Report)Order,2016 (the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we give the **Annexure- A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) In our opinion with respect to internal financial control, the said Para is applicable to Company and & hereby attached as **Annexure - B**



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

**For BHAGAT & CO.**  
**Chartered Accountant**

**SD/-**

**CA Shankar Prasad Bhagat**  
**( Partner )**  
**Membership.No. 052725**  
**Firm Reg. No.127250W**  
**Place:- Ahmedabad**  
**Date:30/05/2019**

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

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has adopted a programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are not held in the name of the Company. As the company has, taken immovable property on rent from the directors.
- (ii) The Company is regular in maintaining physical inventory in accordance with paragraph 3(ii) of the Order applicable to the Company.
- (iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the book of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees’ state insurance and duty of excise.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (vii) The Company has not any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (viii) The Company has raised Rs 7,50,00,000 by way of Further public offer. The company has issued and allotted 25,00,000 shares being Rs 10 as face value and Rs 20 as securities premium.

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

**For BHAGAT & CO.**  
**Chartered Accountant**

**SD/-**

**CA Shankar Prasad Bhagat**  
**( Partner )**  
**Membership.No. 052725**  
**Firm Reg. No.127250W**  
**Place:- Ahmedabad**  
**Date:30/05/2019**

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

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

We have audited the internal financial controls over financial reporting of **SM Gold 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BHAGAT & CO.  
Chartered Accountant**

**SD/-**

**CA Shankar Prasad Bhagat  
( Partner )  
Membership.No. 052725  
Firm Reg. No.127250W  
Place:- Ahmedabad  
Date:30/05/2019**

**S. M. GOLD LIMITED**  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019**

Particulars	Note No.	2019	2018
<b>I. EQUITY AND LIABILITIES</b>			
<b><u>(1) Shareholder's Funds</u></b>			
(a) Share Capital	1	66916730	4,19,16,730
(b) Reserves and Surplus	2	60187391	99,78,823
(c) Money received against share warrants			
<b><u>(2) Share Application money pending allotment</u></b>			
<b><u>(3) Non-Current Liabilities</u></b>			
(a) Long-Term Borrowings			-
(b) Deferred Tax Liabilities (Net)		4,820	4,820
(c) Other Long Term Liabilities			-
(d) Long Term Provisions			-
<b><u>(4) Current Liabilities</u></b>			
(a) Short-Term Borrowings	3	15026117	12,69,129
(b) Trade Payables	4	-	25,90,000
(c) Other Current Liabilities	5	183676	34,02,949
(d) Short-Term Provisions	6	346398	6,70,198
<b>Total Equity &amp; Liabilities</b>		<b>14,26,65,132</b>	<b>5,98,32,649</b>
<b>II.ASSETS</b>			
<b><u>(1) Non-Current Assets</u></b>			
<b><u>(a) Fixed Assets</u></b>			
(i) Property, Plant and Equipment	7	538963	8,14,464
(ii) Intangible Assets			-
(iii) Capital work in progress			-
(b) Non-current investments			-
(c) Deferred tax assets (net)			-
(d) Long term loans and advances			-
(e) Other non-current assets	8	918048	5,55,548
<b><u>(2) Current Assets</u></b>			
(a) Current investments			-
(b) Inventories		104805481	1,28,13,054
(c) Trade receivables	9	20359999	4,53,18,531
(d) Cash and cash equivalents	10	10665240	1,34,358
(e) Short-term loans and advances	11	2770000	-
(f) Other current assets	12	2607401	1,96,694
<b>Total Assets</b>		<b>14,26,65,132</b>	<b>5,98,32,649</b>

**NOTES TO ACCOUNTS**

21

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

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

**FOR , PARTH SHAH AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**S. M. GOLD LIMITED**

SD/-  
(DIRECTOR)

SD/-  
(DIRECTOR)

SD/-  
(CA PARTH SHAH)  
(PROPRIETOR)  
M No. : 173468  
FRN No. 144251W

Date: 30/05/2019  
Place: Ahmedabad

# S. M. GOLD LIMITED

## PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31st MARCH, 2019

Sr. No	Particulars	Note No.	2019	2018
I	Revenue from operations	13	26,31,81,112	13,49,29,276
II	Other Income	14	8,41,267	4,78,438
III	<b>III. Total Revenue (I +II)</b>		<b>26,40,22,379</b>	<b>13,54,07,714</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	15	35,09,76,052	14,43,91,470
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	16	(9,19,92,387)	(1,28,13,054)
	Employee Benefit Expense	17	10,70,710	8,56,000
	Financial Costs	18	5,49,693	-
	Depreciation and Amortization Expense	19	2,75,500	1,87,012
	Other Administrative Expenses	20	28,61,249	3,45,786
	<b>Total Expenses (IV)</b>		<b>26,37,40,817</b>	<b>13,29,67,214</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>2,81,562</b>	<b>24,40,501</b>
VI	Exceptional Items		-	-
VII	Profit before extraordinary items and tax (V - VI)		<b>2,81,562</b>	<b>24,40,501</b>
VIII	Extraordinary Items		-	-
IX	Profit before tax (VII - VIII)		<b>2,81,562</b>	<b>24,40,501</b>
X	<b>Tax expense:</b>			
	(1) Current tax		73,000	6,40,198
	(2) Defferd tax		-	4,820
XI	Profit(Loss) from the perid from continuing operations	(IX-X)	<b>2,08,562</b>	<b>17,95,483</b>
XII	Profit/(Loss) from discontinuing operations		-	-
XIII	Tax expense of discounting operations		-	-
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV	Profit/(Loss) for the period (XI + XIV)		<b>2,08,562</b>	<b>17,95,483</b>
	Add:- Transfer from reserve		-	-
	Less: Proposed Dividend		-	-
	Less: Tax on Dividend		-	-
	<b>Balance Carried Forward to Balance Sheet</b>		<b>2,08,562</b>	<b>17,95,483</b>
XVI	Earning per equity share:			
	(1) Basic		0.03	0.62
	(2) Diluted		0.03	0.62

### NOTES TO ACCOUNTS

21

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

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

FOR , PARTH SHAH AND ASSOCIATES

S. M. GOLD LIMITED

CHARTERED ACCOUNTANTS

SD/-  
(DIRECTOR)

SD/-  
(DIRECTOR)

SD/-

(CA PARTH SHAH)

(PROPRIETOR)

M No. : 173468

FRN No. 144251W

Date: 30/05/2019

Place: Ahmedabad

# S. M. GOLD LIMITED

## STATEMENT OF CASH FLOW

		FIGURES AS AT THE END OF 31TH MARCH, 2019	FIGURES AS AT THE END OF 31TH MARCH, 2018
<b>A</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) before tax	2,81,562	24,40,501
	Adjustments for:		
	Finance Cost	549693	-
	Depreciation	275500	1,87,012
	Interest		
	<b>Operating Profit before working capital changes</b>	<b>11,06,755</b>	<b>26,27,513</b>
	Increase / (Decrease) in short term borrowings	13756988	12,69,129
	Increase / (Decrease) in Trade Payables	(25,90,000)	25,90,000
	Increase / (Decrease) in Other Current Liabilities	(32,19,268)	34,02,949
	Increase / (Decrease) in Short term provision	(3,23,800)	6,70,198
	(Increase) / Decrease in Inventories	(9,19,92,387)	(1,28,13,054)
	(Increase) / Decrease in Trade Receivable	24958532	(4,53,18,531)
	(Increase) / Decrease in Other current assets	(24,10,707)	(1,96,694)
	(Increase) / Decrease in Short Term Loans & Advances	(27,70,000)	-
	<b>Operating Profit after working capital changes</b>	<b>(6,34,83,887)</b>	<b>(4,77,68,491)</b>
	Less: Income Tax Paid	73000	6,40,198
	<b>Net Cash from/ (used in) Operating Activities</b>	<b>(6,35,56,887)</b>	<b>(4,84,08,689)</b>
	<b>( A )</b>		
<b>B</b>	<b>Cash Flow from Investing Activities :</b>		
	(Purchase)/ Sale of Fixed Assets	-	(8,62,589)
	(Purchase)/ Sale of Current Investments		
	<b>Net Cash from/ (used in) Investing Activities</b>	<b>-</b>	<b>(8,62,589)</b>
	<b>( B )</b>		
<b>C</b>	<b>Cash Flow from Financing Activities :</b>		
	Increase / (Decrease) in Long Term Borrowings	-	-
	Proceeds from application money pending allotment	-	-
	Proceeds from Issue of shares	25000000	1,67,66,690
	Proceeds from Securities Premium	50000000	3,33,33,380
	Share Issue Expense	(3,62,500)	(6,94,436)
	Finance Cost paid	(5,49,693)	-
	Adjustments in retained earnings	(37)	-
	<b>Net Cash from/ (used in) Financing Activities</b>	<b>74087770.5</b>	<b>4,94,05,634</b>
	<b>( C )</b>		
	<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>1,05,30,884</b>	<b>1,34,357</b>
	<b>Cash &amp; Cash Equivalents as at the beginning of the year</b>	<b>1,34,357</b>	<b>-</b>
	<b>Cash &amp; Cash Equivalents as at the end of the year</b>	<b>1,06,65,240</b>	<b>1,34,357</b>
	<b>FOR , PARTH SHAH AND ASSOCIATES</b>	<b>FOR, S. M. GOLD LIMITED</b>	
	<b>CHARTERED ACCOUNTANTS</b>		
	SD/-	SD/-	SD/-
	(CA PARTH SHAH)	(DIRECTOR)	(DIRECTOR)
	(PROPRIETOR)		
	M No. : 173468	PLACE: AHMEDABAD	
	FRN No. 144251W	DATE: 30/05/2019	



## S. M. GOLD LIMITED

*Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2019*

### **Note : 1 Share Capital**

Sr. No	Particulars	2019	2018
1	<b><u>AUTHORIZED CAPITAL</u></b> 72,00,000 Equity Shares of Rs. 10/- each.	7,20,00,000	7,20,00,000
		<b>7,20,00,000</b>	<b>7,20,00,000</b>
2	<b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b> <i>To the Subscribers of the Memorandum</i> 41,91,673 Equity Shares of Rs. 10/- each. 66,91,673 Equity Shares of Rs. 10/- each.	6,69,16,730	4,19,16,730
	<b>Total in `</b>	<b>6,69,16,730</b>	<b>4,19,16,730</b>

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

Sr. No	SHARE HOLDER'S NAME	2019	2018
1	Priyank S Shah	39,21,230.00 58.60%	39,21,330 93.55%
2	Pulkit Shah	-	270218 6.45%
3	Veeram vendors private limited	340000 5.08%	-

### **Note : 2 Reserve & Surplus**

Sr. No	Particulars	2019	2018
1	Capital Reserve		-
2	Capital Redemption Reserve		-
3	Securities Premium reserve	5,81,83,340.00	81,83,340
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (Special Reserve)	-	-
8	Surplus (Profit & Loss Account)	20,04,051	17,95,483
	Balance brought forward from previous year	1795489	-
	Less: Tax on Regular Assessment Paid		-
	Add: Transfer to Profit and Loss A/c		-
	Add: Profit for the period	2,08,562	17,95,483
	<b>Total in `</b>	<b>6,01,87,391</b>	<b>99,78,823</b>

### **Note : 3 Short Term Borrowings**

Sr. No	Particulars	2019	2018
1	<b><u>Loans from Directors</u></b>		
	Priyank S Shah	-	10,70,529
	Pulkit Shah	298100	1,98,600
2	Bank OD-Yes Bank	14728017	-
	<b>Total in `</b>	<b>1,50,26,117</b>	<b>12,69,129</b>

## S. M. GOLD LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31<sup>st</sup> March, 2019

### Note : 4 Trades Payable

Sr. No	Particulars	2019	2018
a)	<b>Sundry Creditors for Materiel/Supplies:</b>		
1	B M Jewellers	-	90,000
2	Kenvi	-	25,00,000
	<b>Total in `</b>	<b>-</b>	<b>25,90,000</b>

### Note : 5 Other Current Liabilities

Sr. No	Particulars	2019	2018
	<b>Others</b>		
1	Creditors for Expenses	183676	3402944
	<b>Total in `</b>	<b>1,83,676</b>	<b>34,02,944</b>

### Note : 6 Short Term Provisions

Sr. No	Particulars	2019	2018
1	Provision For Tax	286398	6,40,198
2	Audit Fees Payable	60000	30,000
	<b>Total in `</b>	<b>3,46,398</b>	<b>6,70,198</b>

## S. M. GOLD LIMITED

*Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019*

**Note : 7 Fixed Asset**

**I. Fixed Assets**

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2018	WDV as on 31.03.2017
I	<b>Tangible Assets</b>										
1	Activa	30,085		-	30,085	1,259	7463	-	8,722	21,363	28,826
2	Air Condition	50,358		-	50,358	1,473	8848	-	10,322	40,036	48,885
3	Computer	2,770		-	2,770	283	1571	-	1,854	916	2,487
4	Mobile	8,325		-	8,325	244	1463	-	1,706	6,619	8,081
5	Plant and Machinery	47,364		-	47,364	1,898	5133	-	7,031	40,333	45,466
6	Printer	9,215		-	9,215	270	1619	-	1,889	7,326	8,945
7	Refrigerator	32,038		-	32,038	937	5629	-	6,567	25,471	31,101
8	Safe	21,867		-	21,867	915	5424	-	6,340	15,527	20,952
9	Skoda Rapid Car	6,35,567		-	6,35,567	40,375	233910	-	2,74,286	3,61,281	5,95,192
10	Weighing Scale	25,000		-	25,000	471	4440	-	4,911	20,089	24,529
					-						
	<b>Total</b>	<b>8,62,589</b>	<b>-</b>	<b>-</b>	<b>8,62,589</b>	<b>2,732</b>	<b>2,75,501</b>	<b>-</b>	<b>3,23,626</b>	<b>5,38,963</b>	<b>8,14,464</b>

## S. M. GOLD LIMITED

*Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019*

### **Note : 8 Other Non Current Assets**

Sr. No	Particulars	2019	2018
	<b><u>Unamortised Expenditure</u></b>		
	Miscellaneous Expenditure	918048	5,55,548
	<b>Total in `</b>	<b>9,18,048</b>	<b>5,55,548</b>

### **Note :9 Trade Recievables**

Sr. No	Particulars	2019	2018
(A)	<b><u>Outstanding for Less than six months</u></b>		
1	Kriya Gold	-	49,50,000
2	Malabar Gold Pvt Ltd	-	1,286
3	New Dagina	-	50,01,680
4	S M Gold	-	8,65,565
5	Suvarnakrupa Kenvi Ltd	-	25,00,000
6	Vivid Offset Printers Pvt Ltd	-	3,20,00,000
7	Veeram Securities Limited	12557199	-
8	Ujala Finsec	4400000	-
9	U H Zaveri Limited	240000	-
10	Jay Ashirwad	1500000	-
11	Hreenkarshree	1662800	-
	<b>Total in `</b>	<b>2,03,59,999</b>	<b>4,53,18,531</b>

### **Note : 10 Cash & Cash Equivalent**

Sr. No	Particulars	2019	2018
1	<b><u>Cash-in-Hand</u></b>		
	Cash Balance	460114	1,27,700
	<b>Sub Total (A)</b>	<b>4,60,114</b>	<b>1,27,700</b>
2	<b><u>Bank Balance</u></b>		
	Yes Bank	10205126	6,658
	<b>Sub Total (B)</b>	<b>1,02,05,126</b>	<b>6,658</b>
	<b>Total [ A + B ]</b>	<b>1,06,65,240</b>	<b>1,34,358</b>

### **Note : 11 Short-term loans and advances**

Sr. No	Particulars	2019	2018
1	Hemant Patel	1500000	-
2	Nakoda agro product	600000	-
3	Priyankbhai s shah HUF	670000	-
	<b>Total in `</b>	<b>27,70,000</b>	<b>-</b>

### **Note : 12 Other Current Assets**

Sr. No	Particulars	2019	2018
1	Duties and Taxe-GST receivable	1617114	1,96,694
2	Other current Assets	990287	-
	<b>Total in `</b>	<b>26,07,401</b>	<b>1,96,694</b>

## S. M. GOLD LIMITED

*Notes Forming Part of the Profit & Loss Accounts as at 31<sup>st</sup> March, 2019*

### **Note : 13 Revenue from Operations**

Sr. No	Particulars	2,019	2018
1	Sales	26,31,81,112	13,45,25,576
2	Job work Income		4,03,700
	<b>Total in `</b>	<b>26,31,81,112</b>	<b>13,49,29,276</b>

### **Note : 14 Other Income**

Sr. No	Particulars	2,019	2018
1	Other Charges	7,44,246	3,85,916
2	Stone Charges	97,021	92,522
	<b>Total in `</b>	<b>8,41,267</b>	<b>4,78,438</b>

### **Note : 15 Cost of Material Consumed**

Sr. No	Particulars	2,019	2018
a)	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Purchases	35,09,76,052	14,43,91,470
	<b>Total in `</b>	<b>35,09,76,052</b>	<b>14,43,91,470</b>

### **Note : 16 Change in Inventories**

Sr. No	Particulars	2,019	2018
1	Opening Stock	1,28,13,054	-
2	Closing Stock	10,48,05,441	1,28,13,054
	<b>Total in `</b>	<b>9,19,92,387</b>	<b>1,28,13,054</b>

### **Note : 17 Employment Benefit Expenses**

Sr. No	Particulars	2,019	2018
1	Directors Remuneration	3,60,000	3,60,000
2	Salary Expense	7,10,710	4,96,000
	<b>Total in `</b>	<b>10,70,710</b>	<b>8,56,000</b>

### **Note : 18 Finance Cost**

Sr. No	Particulars	2,019	2018
1	Bank charges	1,281	-
2	loan processing Charges	1,69,000	-
3	Interest on bank loan	3,79,412	-
	<b>Total in `</b>	<b>5,49,693</b>	<b>-</b>

### **Note : 19 Depreciation & Amortised Cost**

Sr. No	Particulars	2,019	2018
1	Depreciation	2,75,501	48,125
2	Amortisation Expense	-	138887
	<b>Total in `</b>	<b>2,75,501</b>	<b>1,87,012</b>

### **Note : 20 Other Administrative Expenses**

Sr. No	Particulars	2,019	2018
1	Electric Expenses	24,620	35,650
2	Petrol Expenses	41,758	8,020
3	Office Expenses	1,60,753	1,11,916
4	Rent	-	1,40,000
5	Website Development Expenses	-	4,200
6	Legal and professional fees	30,000	16,000
7	Audit Fees	30,000	30,000
8	Accounting Fees	56,000	-
9	Advertisement Expense	1,09,076	-
10	Ipo Expenses	17,04,299	-
11	Exhibiton Expenses	5,78,950	-
12	Miscellaneous Expenses	47,668	-
13	NSDL Expenses	78,125	-
	<b>Total in `</b>	<b>28,61,249</b>	<b>3,45,786</b>

## **SM Gold Limited**

### **Significant Accounting Policies and Notes forming part of Accounts**

#### **Note : 19**

#### **NOTES ON ACCOUNTS**

1. Previous year's figures are not stated as it is a newly incorporated company.
2. Provision for Taxation for the current year has been made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
3. Contingent liability in respect of claims against the company not acknowledged as debts against which the company has counter claims aggregating to Rs. is Nil.
4. In the opinion of the Board, the current assets are approximately of the value stated in the Balance sheet, if realized in the ordinary course of business.
5. Information pursuant to paragraph 2, 3, 4, 5 of Part II of the schedule III is given as under so far as it applies to the company.

a) **Payment to Statutory Auditors**

	Current Year	Previous Year
1. Audit Fees	30000/-	30,000/-

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

**FOR, BHAGAT & CO.  
CHARTERED ACCOUNTANTS  
FRN NO:-127250W**

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

**SD/-**

**SD/-**

**CA Sankar Prasad Bhagat  
PARTNER  
MEM. NO.: 052725**

**(Director)**

**(Director)**

**Place: Ahmedabad  
Date:30.05.19**

**Place: Ahmedabad  
Date: 30.05.19**

## **Significant Accounting Policies**

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

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

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

### **B. Revenue Recognition**

Sales are recorded exclusive of Taxes.

### **C. Fixed Assets**

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

### **D. Depreciation**

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

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

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

### **F. Inventories**

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

### **G. Investments**

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

### **H. Retirement Benefits**

- i As certified by the management, the company has no liability under the Provident Fund & Super Annuation Fund as the said acts do not apply to the company.

ii It is explained to us that the company does not provide for any leave encashment and any liability arising thereon shall be paid and dealt with in the books of accounts at the actual time of payment.

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

This is the First year of the company so prior period are not applicable.

#### **J. Borrowing Cost**

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

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

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

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

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

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

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

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



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

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

<b>Sr. No</b>	<b>Name</b>	<b>2018-19</b>	<b>Relationship</b>	<b>Nature of transaction</b>
1.	Priyank S Shah	1,80,000	Director	Remuneration
2.	Pulkit S Shah	1,80,000	Director	Remuneration
3.	Priyank S Shah HUF	6,70,000	Director	Loans and advances

### **N. Foreign Currency Transaction**

There are no such foreign currency transactions during the year.

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

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

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

(a) Profit after tax	Rs. 2,48,512/-
(b) Equity Share (In Number)	No. 66,91,673
(c) Nominal value of share	Rs. 10 per share
(d) EPS	Rs. 0.04/-

**FOR, BHAGAT & CO.  
CHARTERED ACCOUNTANTS  
FRN NO:-127250W**

**FOR AND ON BEHALF OF THE BOARD**

**SD/-**

**CA Sankar Prasad Bhagat  
PARTNER  
MEM. NO.: 052725**

**Place: Ahmedabad  
Date: 30.05.2019**

**SD/-**

**(Director)**

**Place: Ahmedabad  
Date: 30.05.2019**

**SD/-**

**(Director)**



CIN:- U74999GJ2017PLC098438

**S. M. Gold Limited.**

**Registered Office: Shop No-1,916 Building,Opp.Luhar Ni Pole M.G Haveli Road , Manekchowk  
Ahmedabad 380001 Gujarat, India**

**Email- [compliancesmgold@gmail.com](mailto:compliancesmgold@gmail.com) Tele No- 079-22114411 Website: [www.smgold.in](http://www.smgold.in)**

**2<sup>nd</sup> Annual General Meeting – Monday, 30<sup>th</sup> September, 2019**

**ATTENDANCE SLIP**

<b>Folio No. /Client Id:</b>	
<b>Name of Shareholder:</b>	
<b>Address of Shareholder:</b>	

I, hereby record my presence at the Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 2.00 PM at **Shop No-1,916 Building,Opp.Luhar Ni Pole M.G Haveli Road , Manekchowk Ahmedabad 380001 Gujarat, India**

\_\_\_\_\_  
**Signature of the Member**

**Notes:**

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member/Proxy who wishes to attend the meeting must bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.

Member/Proxy should bring his/her copy of the Notice of Extraordinary General Meeting for reference at the meeting.



CIN:- U74999GJ2017PLC098438

# S. M. Gold Limited.

Registered Office: Shop No-1,916 Building,Opp.Luhar Ni Pole M.G Haveli Road , Manekchowk  
Ahmedabad 380001 Gujarat, India

Email- [compliancesmgold@gmail.com](mailto:compliancesmgold@gmail.com) Tele No- 079-22114411 Website: [www.smgold.in](http://www.smgold.in)

## Form MGT-11 PROXY FORM

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

### 2<sup>nd</sup> Annual General Meeting – Monday, 30<sup>th</sup> September, 2019

Name of the shareholder(s): \_\_\_\_\_

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

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

I/We, being member(S) of U. H. Zaveri Limited, holding \_\_\_\_\_ share of the company, hereby appoint

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

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

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

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

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

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

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

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

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/her

As my/our proxy to attend and vote (on poll) for me/us, on my/our behalf at the 1<sup>st</sup> Annual General Meeting of the Company to be held on – Saturday, 29<sup>th</sup> September, 2018 at 2.00 PM at GF/2, Manish Complex, Indrajit Tenaments, Opp-Diamond Mill, Nikol Road Ahmedabad – 382350, Gujarat, India. And/or at any adjournment thereof in respect of such resolutions as are indicated below:

Resol ution No.	Resolution	VOTING	
		FOR	AGAINST
1.	To receive, consider and adopt Audited Financial Statement of the Company for the financial year ended on March 31 <sup>st</sup> , 2019 together with Report of Board of Directors and Auditors' Report thereon.		
2.	To declare Dividend on equity shares of the Company for the financial year ended March 31, 2019.		
3.	To appoint a Director in place of <b>Mrs. Nitaben Sureshkumar</b>		



CIN:- U74999GJ2017PLC098438

**S. M. Gold Limited.**

	<b>Shah (DIN: 07909293)</b> , who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.		
<b>SPECIAL BUSINESS</b>			
4.	To Appoint <b>Mr. Nilesh Babulal Salla (DIN: 08474937)</b> as an Independent Director of the Company.		

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

Signature of shareholder

Signature of Proxy holder(s)

**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.**



CIN:- U74999GJ2017PLC098438

# S. M. Gold Limited.

## ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

Shop No-1,916 Building,Opp.Luhar Ni Pole M.G Haveli Road , Manekchowk Ahmedabad 380001 Gujarat, India

