

VEERAM ORNAMENTS LIMITED

BOARD OF DIRECTORS

Mahendra R Shah
Rakshit M Shah
Pinal R Shah
Rajesh S. Shah
Satish V. Sheth

- Managing Director
- Director
- Director
- Director
- Director w.e.f 31.07.2018

COMPLIANCE OFFICER

Mahendra R. Shah

AUDITORS

Dhaval Padiya And Co
Chartered Accountants
27, Samrpan Tenament,
F-101, Shayona Tilak Residency,
OPP. Devnandan Flat
New S. G Road, Gota
Ahmedabad-382481
Gujarat

BANKERS

Central Bank of India
Sardar Patel Nagar Road,
Navrangpura,
Ahmedabad -380006
Gujarat

REGISTERED OFFICE

Shop No. 2, Naroda Pride,
Nr. Padmavati Society,
Naroda-Nikol Road,
Ahmedabad -382350
Gujarat

REGISTRAR AND SHARE TRANSFER AGENT

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

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NOTICE is hereby given that the 7th **ANNUAL GENERAL MEETING** of the members of **VEERAM ORNAMENTS LIMITED** ("the Company") will be held as scheduled below:

Date : 29th day of September, 2018

Day : Saturday

Time : 3:00 P.M.

Place : At registered office of the Company situated at

Shop No. 2, Naroda Pride, Nr. Padmavati Society, Naroda-Nikol Road, Ahmedabad – 382350, Gujarat.

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 31st, 2018 together with Report of Board of Directors and Auditors' Report thereon.
2. To consider and approve the declaration of dividend of Rs. 0.50/- per equity share of the face value of Rs.10 each.
3. To Appoint a Director in place of **Mr. Rakshit M. Shah (DIN: 03461560)**, who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
4. To Appoint **M/s. PARTH SHAH AND ASSOCIATES.**, Chartered Accountant, Ahmedabad (FRN: 144251W) as statutory auditor and fix their remuneration in consultation with the Board and in this regard to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under M/s. Parth Shah and Associates Chartered Accounts (FRN: 144251W) who has been appointed by Board as Statutory Auditors in Board Meeting dated 03rd September, 2018 be and is hereby appointed as Statutory Auditors of the company in place of erstwhile auditors M/s. Dhaval Padiya & Co, Chartered Accountants having FRN: 140653W, for Five years till the 12th AGM to be held in 2023 at remuneration plus GST & other expenses if any, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

SPECIAL BUSINESS:

5. **To Appoint Mr. Satish V. Sheth (DIN: 00065924) as an Independent Director of the Company.**

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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under and Schedule IV to the said Act, **Mr. Satish V. Sheth (DIN: 00065924)** who was appointed as an Additional Director of the Company under the category of Independent director w.e.f. 31.07.2018 and who holds office up to the date of this Annual General Meeting 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: 03rd September, 2018

**BY ORDER OF THE BOARD OF DIRECTORS OF
VEERAM ORNAMENTS LIMITED**

Registered Office:

**Shop No. 2, Naroda Pride, Nr. Padmavati Society,
Naroda-Nikol Road, Ahmedabad – 382350, Gujarat**

Sd/-

**Mahendra R. Shah
Managing Director**

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 22nd September, 2018 to 29th September, 2018** (both days inclusive) for the purpose of Annual General Meeting (AGM).
5. The Dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be payable to those Members, whose names appear in the Register of Members of the Company on **22nd September, 2018**, to their registered addresses and the respective Beneficial Owners as per the list provided by the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. after the close of business hours on that date.
6. 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.
7. 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.
8. 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.

9. **This is to bring to the notice of the Shareholders that the request for effecting transfer of securities held in Physical form (except in case of transmission or transposition) would not be entertained and shall not be processed by the Company/ RTA of the Company w.e.f. 5th December, 2018 pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018. Hence Shareholders are advised to get their physical shares transferred / dematerialized.**
10. 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.
11. 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.
12. 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.
13. 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 COMPUTERSHARE PRIVATE LIMITED for shares held in physical form and to their respective Depository Participants (DP) for shares held in electronic form.
14. 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.veeramornaments.com**
15. 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.
16. **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.**
17. **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, 5 are as follows.

| Particular | Mr. Rakshit M. Shah | Mr. Satish V. Sheth |
|--|---|---------------------|
| Date of Birth | 27/12/1978 | 08/01/1954 |
| Date of Appointment | 19/04/2017 | 31/07/2018 |
| Qualification | He holds the degree of B.com and Fellow Member of the ICAI and He is also an Associate Member of ICSI | B.com |
| Relationships between directors inter se | Mr. Rakshit M. Shah is | NO |

| | | |
|---|-------------------------------|---|
| | Husband of Mrs. Pinal R. shah | |
| Directorship held in other companies* | 1 | 3 |
| Membership/Chairmanships of Committee in other Public Companies | Nil | 3 |

(*Except the Private Co.)

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

ITEM NO - 5:

Mr. Satish V. Sheth was appointed as an additional director under the category of Independent Director of the Company w.e.f 27.12.2017. Under section 161 of the Companies Act, 2013, Mr. Satish V. Sheth 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. Satish V. Sheth, 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. Satish V. Sheth does not hold any equity share of the Company. The period of office of Mr. Satish V. Sheth 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. Satish V. Sheth in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice. Mr. Satish V. Sheth 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. 5 of this Notice. None of the Director of the Company except Mr. Satish V. Sheth is concerned or interested in this resolution.

Place: Ahmedabad
Date: 03rd September, 2018

**BY ORDER OF THE BOARD OF DIRECTORS OF
VEERAM ORNAMENTS LIMITED**

Registered Office:
Shop No. 2, Naroda Pride, Nr. Padmavati Society,
Naroda-Nikol Road, Ahmedabad – 382350, Gujarat

Sd/-
Mahendra R. Shah
Managing Director

DIRECTORS REPORT

To
The Members,
Veeram Ornaments Limited

Your Directors present the 7th Annual Report of your Company together with the Audited Financial Statement for the financial year ended on 31st March, 2018.

| FINANCIAL HIGHLIGHTS | | |
|---|------------------|------------------|
| Particulars | 2017-18 | 2016-17 |
| Income for the year was | 27,79,01,950 | 7,42,43,026 |
| <i>Profit before Financial Charges, Depreciation and Taxation Out of which, Provisions have been made for :-</i> | 1,10,88,094 | 40,18,175 |
| Financial Charges | 12,802 | 8,121 |
| Depreciation | 8,85,035 | 56,884 |
| Provision for Taxation : | | |
| (i) Current Income Tax | 25,32,250 | 10,00,000 |
| (ii) Deferred Tax | 1,643 | - |
| <i>Profit after Income Tax</i> | 76,56,364 | 29,53,710 |

OPERATION & REVIEW

To receive, consider and adopt the audited Balance Sheet as at 31st March, 2018 and Statement of Profit & Loss together with Notes forming part thereto ("Financial Statement") for the year ended on 31st March, 2018 and Report of the Board of Directors and Auditors thereon.

Total Revenue from operation of the company is Rs. 28,06,26,091/- And the net Profit after tax is Rs. 76,56,364/- For the Financial year 2018-19.

DIVIDEND

The Board of directors of your company has recommended a dividend of Rs. 0.50/- per equity share of the face value of Rs. 10/- each for the financial year ended on 31st March, 2018. The Dividend Payout is subject to approval of shareholders at the ensuing Annual General Meeting.

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.

RESERVES

During the year under review, the Company has transferred Rs. 76,56,364 amount to General Reserves account.

CHANGE IN THE NATURE OF THE BUSINESS

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

SHARE CAPITAL

During the year, there is no change in the share capital of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Mr. Rakshit M. Shah (DIN: 03461560)**, 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 has appointed **Mr. Satish V. Sheth (DIN: 00065924)** as Additional Independent Director on 31.07.2018 and Proposed their Regularisation at forthcoming AGM.

NUMBER OF BOARD MEETINGS

The Board of Directors duly met Nine (9) times on 12.04.2017, 19.04.2017, 28.04.2017, 30.05.2017, 16.08.2017, 01.09.2017, 14.11.2017, 12.02.2018 and 16.03.18 during the year under review.

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.

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.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

RISK MANAGEMENT POLICY

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

DEPOSITS

The details relating to deposits from the public during the year, covered under Chapter V of the Act:

| | |
|--|-----|
| Accepted during the year; | NIL |
| Remain unpaid or unclaimed as at the end of the year; | NIL |
| Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved | NIL |
| 1. at the beginning of the year; | NIL |
| 2. maximum during the year; | |
| 3. at the end of the year; | |

EXTRACT OF 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 - I**"

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

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

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.

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 – II".

PARTICULARS OF EMPLOYEES

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

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this financial statements relate and the date of this report.