

Ref. OSIL/67/2020-21

Date: December 07, 2020

To,  
Corporate Relations Department,  
Bombay Stock Exchange Limited,  
Corporate Relationship Department,  
New Trading Wing, PJ Towers,  
Dalal Street, Fort Mumbai-400001

SECURITY CODE: 531626  
ISIN NO.: INE628B01034

**Sub: Notice of 26<sup>th</sup> Annual General Meeting scheduled to be held on Wednesday, December 30, 2020 through Video Conferencing (VC) / Other Audio-Visual Means (OVAM) along with Annual Report for the Financial Year 2019-20**

Dear Sir/Madam,

This is to inform that the 26<sup>th</sup> Annual General Meeting (AGM) of Orosil Smiths India Limited is scheduled to be held on Wednesday, December 30, 2020 at 12 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the circulars/ notifications issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The schedule for the AGM is given below:

S. No.	Event	Day & Date & Details	Time
1.	Cut-off Date to vote on the proposed resolutions	Wednesday, December 23, 2020	-
2.	E-voting Commencement	Sunday, December 27, 2020	9:00 a.m. IST
3.	E-voting Ends	Tuesday, December 29, 2020	5:00 p.m. IST
4.	E-voting Website	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>	-

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a copy of notice of AGM including e-voting instructions is attached. The same is being sent to the shareholders of the Company along with Annual Report through mail.

The aforementioned Report and the Notice of the AGM are also made available on the website of the Company i.e. [www.orosil.com](http://www.orosil.com).

Further, pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, December 23, 2020 to Wednesday, December 30, 2020 (Both days inclusive) for the purpose of 26<sup>th</sup> Annual General Meeting of the Company.

This is for your information and records.

Thanking You,  
For **Orosil Smiths India Limited**

*Dinky*

**Dinky Bansal**  
(Company Secretary)



Encl: A/a

**CC: National Securities Depository Limited**  
4th Floor, "A" Wing, Trade World,  
Kamala Mills Compound Senapati Bapat Marg,  
Lower Parel, Mumbai 400013

**Central Depository Services (India) Limited**  
Marathon Futurex, Unit No. 2501,  
25th Floor, A Wing, Mafatlal Mills Compound,  
N M Joshi Marg, Lower Parel, Mumbai 400013



**OROSIL SMITHS  
INDIA LIMITED**

*A multi dimensional  
jewellery solutions  
Company*

**CIN:  
L74110DL1994PLC059341**

# 26th Annual Report

**FOR THE FINANCIAL YEAR 2019-20**



# OROSIL SMITHS INDIA LIMITED

**26<sup>TH</sup>**

**ANNUAL REPORT**

**Wednesday, 30<sup>th</sup> December, 2020 (12.00 P.M.)**

**A-89, SECTOR-2, NOIDA 201301, UTTAR PRADESH**

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**BOARD OF DIRECTORS:**

Mr. Bhushan Kumar Narula	Managing Director (Chairman)
Mrs. Rita Narula	Whole Time Director
Ms. Bhavana Sampath Kumar	Non-Executive Independent Director
Mr. Vineet Aggarwal	Non-Executive Independent Director
Mr. Karan Suri	Non-Executive Director

**KEY MANAGERIAL PERSONNEL:**

Mr. Bhushan Kumar Narula	Managing Director
Mrs. Rita Narula	Whole Time Director
Mr. Sanjay Bana	Chief Financial Officer (CFO)
Ms. Himanshi*	Company Secretary (CS)
<i>*(Appointed w.e.f. 03<sup>rd</sup> August, 2019)</i>	
<i>*(Resigned w.e.f. 30<sup>th</sup> December, 2019)</i>	
Ms. Dinky Bansal**	Company Secretary (CS)
<i>** (Appointed w.e.f. 30<sup>th</sup> October, 2020)</i>	

**STATUTORY AUDITORS:**

M/s PNG & Co., Chartered Accountants,  
Firm Registration No. 021910N  
1207, New Delhi House, 27,  
Barakhamba Road,  
New Delhi-110001

**INTERNAL AUDITORS:**

M/s Dua Manral & Associates, Chartered Accountants,  
Firm Registration No. 023245N  
201, Chaudhary Complex,  
9 Veer Savarkar Block,  
Delhi - 110092

**REGISTERED OFFICE:**

620, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019  
Email: [info@orosil.com](mailto:info@orosil.com), [cs@orosil.com](mailto:cs@orosil.com)  
Website: [www.orosil.com](http://www.orosil.com)

**CORPORATE OFFICE:**

A-89, Sector-2, Noida-201301.  
Ph: +91-120-4125476

**LISTED WITH STOCK EXCHANGE:**

Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai- 400001

**BANKER:**

HDFC Bank Limited  
Bank of Baroda  
Canara Bank

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Skyline Financial Services Private Limited  
D-153 A, Okhla Industrial Area, Phase-I, New Delhi – 110 020  
Email: [parveen@skylinerta.com](mailto:parveen@skylinerta.com), Phone: 011-40450193 to 197



## *Notice*

### *Orosil Smiths India Limited*

CIN: L74110DL1994PLC059341

Registered Office: Hemkunt Chambers, Flat No.620,

89, Nehru Place, New Delhi-110019

Corporate Office: A-89, Sector-2, Noida-201301, Uttar Pradesh

Email: [info@orosil.com](mailto:info@orosil.com), Phone No.: 0120-4125476

Website: [www.orosil.com](http://www.orosil.com)

**NOTICE** is hereby given that the **26<sup>th</sup> Annual General Meeting ("AGM")** of the members of **OROSIL SMITHS INDIA LIMITED** will be held on **Wednesday, the 30<sup>th</sup> day of December, 2020**, at **12.00 P.M (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### **ORDINARY BUSINESS:**

- 1. TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020 AND THE REPORTS OF THE AUDITORS AND BOARD OF DIRECTORS.**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

- 2. TO RE-APPOINT MR. KARAN SURI (DIN:01193500), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT, AS A DIRECTOR.**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Karan Suri (DIN:01193500), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

3. **TO CONSIDER RE-APPOINTMENT OF MR. VINIT AGGARWAL (DIN:00539344) AS NON – EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY TO HOLD OFFICE FOR A SECOND TERM OF 5 CONSECUTIVE YEARS.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (Act, 2013) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time, and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Vinit Aggarwal (DIN: 00539344), who was appointed as an Additional Director (Non-Executive Independent) w.e.f. 28<sup>th</sup> September, 2020 by the Board of Directors upon recommendations of the Nomination and Remuneration Committee of the Company (“the Committee”) after satisfying the criteria laid down by the Committee, and in respect of whom the Company has received a notice in writing from a Member of the Company proposing his candidature for the office of Director pursuant to Section 160 of the Act, 2013, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, whose office shall not be liable to retire by rotation, to hold office for a second term of five consecutive years w.e.f. 28<sup>th</sup> September, 2020 till 27<sup>th</sup> September, 2025;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is authorized to do all such acts, deeds, matters and take all such steps as may be necessary, expedient and desirable to give effect to this resolution.”

4. **TO CONSIDER RE-APPOINTMENT OF MR. BHUSHAN KUMAR NARULA (DIN:00003629) AS MANAGING DIRECTOR OF THE COMPANY.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (‘the Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), subject to all requisite consent and approvals, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Bhushan Kumar Narula (DIN: 00003629) as Managing Director of the Company, for a period of 3 consecutive years with effect from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2023, at such terms and conditions as may be agreed and as determined by Nomination and Remuneration Committee with liberty thereto for varying the terms and conditions of said appointment as it may deem fit and acceptable to Mr. B. K. Narula, within the maximum limits of remuneration for Managing Director, if approved by the members of the Company or as set out in the resolution No. 5 of the said notice and the explanatory statement annexed thereto;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, expedient and desirable to give effect to this resolution.”

**5. TO CONSIDER AND APPROVE THE PAYMENT OF REMUNERATION TO MR. BHUSHAN KUMAR NARULA, MANAGING DIRECTOR OF THE COMPANY.**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act 2013 (Act) and the Companies(Appointment and Remuneration of Managerial personnel) Rules, 2014, or any statutory modification(s) or re-enactment(s) thereof, read with Articles of Association of the Company and such other approvals as are necessary and subject to the Special Resolution passed by the Members in Item No. 4 as set out in the said notice for re-appointment, consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Bhushan Kumar Narula, Managing Director of the Company, as recommended by the Nomination and Remuneration Committee and the Board of Directors of the Company as follows:

1. Period of Appointment: 3 Years (From April 01, 2020 to March 31, 2023).
2. Annual Remuneration and other terms:
  - (a) **Annual Fixed Pay** (inclusive of basic salary, perquisites, allowances and other benefits): Rs. 7, 20,000 w.e.f. 01<sup>st</sup> April, 2020 (Rupees Seven Lakh Twenty Thousand only).
  - (b) **Variable Pay** (Performance Linked Incentive) to be paid as per PLVR Scheme of the Company or such sum as may be determined by the Board and/or Nomination and Remuneration Committee of Directors of the Company, from time to time.
  - (c) **Retirement/Other benefits**: Gratuity, provident fund, leave encashment, group personal accident insurance, mobile phone expenses, medical insurance and other benefits as per the applicable policies and rules of the Company.
  - (d) He shall also be entitled to such annual increment as may be determined by the Nomination and Remuneration Committee of the Company.
  - (e) He shall also be entitled to reimbursement of all legitimate expenses actually and properly incurred by him while performing his duties and such reimbursement will not form part of his remuneration.
  - (f) He shall not be entitled for any sitting fee for attending any meetings of Board or Committees thereof.
  - (g) He shall be liable to retire by rotation. However, retirement by rotation and re-appointment shall not be deemed to be a break in service.
  - (h) There is no contract of service in writing with Mr. BK Narula. The terms set out in the resolution may be treated in compliance of Section 190 of the Companies Act, 2013.



**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profits in any financial year or years, the remuneration as approved herein be paid as minimum remuneration to Mr. Bhushan Kumar Narula, subject to receipt of requisite approvals, if required, under the Act, 2013 and other applicable provisions;

**RESOLVED FURTHER THAT** the Board of Directors and/or Nomination and Remuneration Committee of Directors be and is hereby authorized to vary and/or revise the remuneration of Mr. BK Narula, within the aforesaid limits; settle any question or difficulty in connection therewith and incidental thereto; to do all such acts, deeds, matters and things as may be deemed necessary; and take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

**6. TO CONSIDER RE-APPOINTMENT OF MRS. RITA NARULA (DIN: 00006096) AS WHOLE-TIME DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (‘the Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mrs. Rita Narula (DIN: 00006096) as Whole Time Director of the Company for a period of 3 years with effect from 01<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2023, at such terms as approved by Nomination and Remuneration Committee with liberty thereto for varying the terms and conditions of said appointment as it may deem fit and acceptable to Mrs. Rita Narula within the maximum limits of remuneration for Whole Time Director as approved by the members of the Company in the foregoing resolution and the explanatory statement annexed thereto:

1. Period of Appointment: 3 Years (From April 01, 2020 to March 31, 2023).
2. Annual Remuneration and other terms:
  - (a) Annual Fixed Pay (inclusive of basic salary, perquisites, allowances and other benefits): Rs. 5,40,000/- (Rupees Five Lakhs Forty Thousand only).
  - (b) Variable Pay (Performance Linked Incentive) to be paid as per PLVR Scheme of the Company or such sum as may be determined by the Board and/or Nomination and Remuneration Committee of Directors of the Company, from time to time.
  - (c) Retirement / Other benefits: Gratuity, provident fund, leave encashment, group personal accident insurance, mobile phone expenses, medical insurance and other benefits as per the applicable policies and rules of the Company.
  - (d) She shall also be entitled to such annual increment as may be determined by the Nomination and Remuneration Committee of the Company.



during the Financial Year 2020-21 on such terms and conditions as may be mutually agreed upon between the Company and the related party/ ies;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to decide upon the nature and value of the products, goods, materials or services etc. to be transacted with related parties within the aforesaid limits;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to this resolution.”

**8. RATIFICATION OF MATERIAL RELATED PARTY CONTRACTS / ARRANGEMENTS / TRANSACTIONS ENTERED INTO DURING THE FINANCIAL YEAR 2019-20**

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the approval of the Members of the Company be and is hereby accorded to ratification of the contracts / arrangements / transactions entered with the related parties as per details below, during the Financial Year 2019-20, which exceed the limits of materiality as defined:

S. No.	Name of the Related Party	Amount
1.	BK Narula (HUF)	Rs. 30,79,000

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to this resolution.”

**By Order of the Board of Directors  
For Orosil Smiths India Limited**

**Date: 30 November, 2020  
Place: Noida**

**B.K.Narula  
(Managing Director)  
DIN: 00003629**

**Registered Office:**  
Hemkunt Chambers, Flat No.620,  
89, Nehru Place, New Delhi-110019

**EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

**Item No. 3**

In terms of Section 149 of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors), Rules, 2014, the Independent Directors shall hold office for a period of up to 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of up to 5 years each.

Further, in terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made there under, in this regard, from time to time.

Mr. Vinit Aggarwal (DIN: [00539344](#)) had joined the Board of Directors of the Company on 30<sup>th</sup> April, 2015 as an Additional Director. He was appointed as a Non-Executive Independent Director for a term of 5 consecutive years commencing from 28<sup>th</sup> September, 2015 as approved by the Shareholders at the 21<sup>st</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2015. The 1<sup>st</sup> term of his appointment was up to 27<sup>th</sup> September, 2020.

The Board of Directors, on recommendations of Nomination and Remuneration Committee, re-appointed him as an Additional Director (Non-Executive Independent) with effect from 28<sup>th</sup> September, 2020 to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

Further, the Board of Directors in its meeting held on November 30, 2020, on recommendations of the Nomination and Remuneration Committee and keeping in view his performance, skills, experience and contributions, approved seeking the consent of Members for his re-appointment as an Independent Director for a second tenure of five years with effect from 28<sup>th</sup> September, 2020, whose office shall not be liable to retire by rotation.

In the opinion of the Board, his continued association would be of immense benefit to the Company. Mr. Vineet Aggarwal fulfils conditions of appointment as Independent Director as specified in the Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not disqualified from being appointed as Director in terms of Section 164 of the Act, 2013 and has given his consent to act as Director. The Company has also received declaration from him that he meets the criteria of Independence as prescribed under Section 149(6) of the Act, 2013 and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is also not debarred from holding the office of a director by virtue of any Order of SEBI or any other authority.

In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of Mr. Vineet Aggarwal for re-appointment as an Independent Non-Executive Director of the Company. A copy of the draft letter for re-appointment of Mr. Vineet Aggarwal setting out the terms and conditions of re-appointment is available for inspection without any fee by the members, till the date of AGM.

His brief resume, educational and professional qualifications, nature of his work experience etc. are given under the head “Additional Information”.

## 26<sup>th</sup> ANNUAL REPORT \_ 2019-20

Your Directors recommend the resolution set out at Item No. 3 as a Special Resolution for your approval.

Mr. Vineet Aggarwal is interested in the resolution set out at Item No. 3 of this Notice with regard to his re-appointment. His relatives may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

### **Item No. 4**

As per Section 196 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, a Managing Director can be appointed or re-appointed for a term not exceeding 5 years at a time. After that, they have to be re-appointed.

Mr. Bhushan Kumar Narula (DIN: 00003629) was appointed as Managing Director at the 21<sup>st</sup> Annual General Meeting held on 28<sup>th</sup> September, 2015 for a period of 5 consecutive years and that he is liable to retire by rotation. The Board of Directors considered the matter of his re-appointment in its meeting held on February 10, 2020 on recommendation of the Nomination and Remuneration Committee, subject to approval of members in the ensuing General Meeting, and felt that his association would be of immense benefit to the Company and recommended his re-appointment as Managing Director of the Company, whose office shall be liable to retirement by rotation, for a term of 3 (three) consecutive years commencing from April 01, 2020 till March 31, 2023.

Further, the Board of Directors in its meeting held on November 30, 2020, on recommendations of the Nomination and Remuneration Committee and keeping in view his performance, skills, experience and contributions, approved seeking the consent of Members for his re-appointment as a Managing Director for a further period of 3 years with effect from 01<sup>st</sup> April, 2020, whose office shall be liable to retire by rotation.

Accordingly, special resolutions are proposed to take shareholders' approval for the re-appointment of Mr. Bhushan Kumar Narula, as Managing Director.

Mr. Bhushan Kumar Narula is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. Mr. Bhushan Kumar Narula is also not debarred from holding the office of a director by virtue of any SEBI Order or any other authority.

His brief resume, educational and professional qualifications, nature of his work experience etc. is given under the head "Additional Information".

Your Directors recommend the resolution set out at Item No. 4 as a Special Resolution for your approval.

Mr. Bhushan Kumar Narula is interested in the resolution set out at Item No. 4 of this Notice with regard to his re-appointment. Relatives of Mr. Bhushan Kumar Narula may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Mr. Narula is the spouse of Mrs. Rita Narula, the Whole Time Director of the Company. Mr. Karan Suri, Non-Executive Non- Independent Director of the Company, is the son-in-law of Mr. Narula.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

#### **Item no. 5**

In terms of the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and Articles of Association of the Company, revision in the remuneration of Mr. Bhushan Kumar Narula, Managing Director of the Company requires approval of the shareholders. Mr. Bhushan Kumar Narula was re-appointed as Managing Director for a period of 3 consecutive Years w.e.f. 1st April, 2020, subject to the approval by the Members at the ensuing General Meeting as set out in the resolution No. 4 of the said notice. Keeping in view Mr. Bhushan Kumar Narula's performance, the complexities of the responsibilities handled by him, industry remuneration benchmarks and his experience in the field, the Board of Directors recommends the revised remuneration to Rs. 60,000 per month or on such the terms, as set out in resolution, as approved by the Nomination and Remuneration Committee.

Your Directors recommend the resolution set out at Item No. 3 as a Special Resolution for your approval.

Mr. Bhushan Kumar Narula is interested in the resolution set out at Item No. 5 of this Notice with regard to his remuneration. Relatives of Mr. Bhushan Kumar Narula may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Mr. BK Narula is the spouse of Mrs. Rita Narula, the Whole Time Director of the Company. Mr. Karan Suri, Non-Executive Non- Independent Director of the Company, is the son-in-law of Mr. BK Narula.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

#### **Item No. 6**

As per Section 196 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, a Whole Time Director can be appointed or re-appointed for a term not exceeding 5 years at a time. After that, they have to be re-appointed.

The Board of Directors had appointed Mrs. Rita Narula (DIN:00006096) as Whole Time Director at the 21<sup>st</sup> Annual General Meeting held on 28<sup>th</sup> September, 2015 for a period of 5 consecutive years and that she is liable to retire by rotation. The Board of Directors considered the matter of her appointment in its meeting held on February 10, 2020 on recommendation of the Nomination and Remuneration Committee and felt that her association would be of immense benefit to the Company and recommended her re-appointment as Whole Time Director of the Company, subject to the approval of members at the ensuing General Meeting whose office shall be liable to retirement by rotation, for a term of 3 (three) consecutive years commencing from April 01, 2020 till March 31, 2023.

Further, the Board of Directors in its meeting held on November 30, 2020, on recommendations of the Nomination and Remuneration Committee and keeping in view her performance, skills, experience and contributions, approved seeking the consent of Members for her reappointment as a Whole Time Director for a further period of 3 years with effect from 01<sup>st</sup> April, 2020 up to 31<sup>st</sup> March, 2023, whose office shall be liable to retire by rotation.

Mrs. Rita Narula is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director. She is also not debarred from holding the office of a director by virtue of any SEBI Order or any other authority.

Your Directors recommend the resolution set out at Item No. 6 as a Special Resolution for your approval.

Mrs. Rita Narula is interested in the resolution set out at Item No. 6 of this Notice with regard to her re-appointment. Relatives of Mrs. Rita Narula may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Mrs. Narula is the spouse of Mr. BK Narula, the Managing Director of the Company. Mr. Karan Suri, Non-Executive Non- Independent Director of the Company, is the son-in-law of Mrs. Narula.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

**Item No. 7**

The Company in the ordinary course of its business and on arm’s length basis, enters into transactions for sale / purchase of goods / services / allocating common corporate expenditure with:

<b>S. No.</b>	<b>Name of the Related Party</b>
1.	Mr. Bhushan Kumar Narula
2.	Mrs. Rita Narula
3.	Ms. Sidhi Narula
4.	BK Narula HUF
5.	Xtrems Retails Private Limited
6.	Sridhi Infra Private Limited
7.	Sukarma Finance Limited



These are 'Related Parties' of the Company in terms of the provisions of Section 2(76) of the Companies Act, 2013 ("the Act") or is 'Related Party' of the Company in terms of the provisions of Indian Accounting Standards ("IND-AS").

The value of the transactions proposed which will be on an arm's length basis, are based on the Company's estimated transaction value for Financial Year 2020-21, arrived at on the basis of the value of transactions with such related parties during the Financial Year 2019-20. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") provides that all material related party transactions shall require approval of the shareholders through ordinary resolution.

The explanation to Regulation 23(1) of the SEBI Regulations provides that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Further, in terms of first proviso to Section 188 of the Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the contracts or arrangements exceeding the sums as may be prescribed, shall be approved by the shareholders of the Company.

The above mentioned contracts between the Company and the 'Related Parties' are likely to exceed the thresholds of materiality limits as defined under the SEBI Regulations / Act / Rules and the Policy on dealing with Related Party Transactions of the Company. Your Directors recommend the resolution set out at Item No. 7 as an Ordinary Resolution to the Members for their approval.

Provided that the related parties along with their relatives are deemed to be concerned or interested in the resolution set out as Item No. 7 of this notice to the extent of their directorship, shareholding or interest, if any, in the Company and/ or in the referred 'Related Parties'.

However, the details of the directorship, shareholding, concern and interest is provided in annexure as attached to this notice as "Annexure-I".

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

#### **Item No. 8**

The Company in the ordinary course of its business and on arm's length basis, enters into transactions for sale / purchase of goods / services / allocating common corporate expenditure with BK Narula HUF. Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") provides that all material related party transactions shall require approval of the shareholders through ordinary resolution. The explanation to Regulation 23(1) of the SEBI Regulations provides that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Further, in terms of first proviso to Section 188 of the Companies Act, 2013 ("Act") read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the contracts or



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arrangements exceeding the sums as may be prescribed, shall be approved by the shareholders of the Company. BK Narula HUF is 'Related Parties' of the Company.

During the financial year 2019-20, to meet the business need of the Company, the related party contracts / arrangements / transactions with BK Narula HUF exceeded the limits. The aforesaid material related party contracts / arrangements / transactions with BK Narula HUF had already been ratified by the Audit Committee and Board of Directors of the Company at their respective meetings.

Your Directors recommend the resolution set out at Item No. 8 as an Ordinary Resolution to the Members.

The bifurcation of all the transactions entered with the BK Narula HUF, during the Financial Year 2019-20, is as follows:

S. No.	Nature of Transaction	Amount
1.	Purchase	Rs. 17,89,000
2.	Sale	Rs. 12,90,000

Mr. BK Narula, Mrs. Rita Narula and Mr. Karan Suri are interested in the resolution set out at Item No. 8 of this Notice. Relatives of Mr. Narula may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above referred resolution.

**NOTES:**

1. In view of the massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 8th April, 2020 read with circulars dated 13th April, 2020 and 5th May, 2020 and 28<sup>th</sup> September, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM Facility, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act, 2013”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), MCA Circulars and circular dated 12th May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”), the 26th AGM of the Company is being held through VC / OAVM Facility. The deemed venue for the 26th AGM shall be the Corporate Office of the Company.

In terms of the MCA Circulars and SEBI Circular, the Notice of the 26th AGM will be available on the website of the Company at [www.orosil.com](http://www.orosil.com) and on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of Skyline Financial Service Limited at [www.skylinerta.com](http://www.skylinerta.com) and also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the annual general meeting (“the meeting”) is entitled to appoint a proxy to attend and on a poll to vote instead of himself/herself and the proxy need not be a member of the company.

Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM Facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 26th AGM of the Company and therefore the Proxy Form and Attendance Slip are not annexed to this Notice.

However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. Attendance of the Members of the Company, participating in the 26th AGM through VC / OAVM Facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to special business to be transacted at the AGM is annexed hereto.
5. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the person seeking appointment/ re-appointment as Director under Item No. 3, 4, 6 of the Notice, is annexed as hereto. The Company has received relevant disclosures / consent from the Directors seeking appointment/re-appointment.
6. Pursuant to Section 91 of the Act, 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, December 23, 2020 to Wednesday, December 30, 2020 (both days inclusive) for the purpose of 26<sup>th</sup> Annual General Meeting.

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7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member(s) holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

### 8. **Mandatory updating of PAN and Bank details against your physical holding:**

The Securities and Exchange Board of India (SEBI) vide its circular SEBI/HO/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018, mandated that the companies through their Registrar and Transfer Agents (“RTA”) should take special efforts for collecting copies of PAN and bank account details for the security of the holders holding securities in physical form. Those security holders whose folio(s) do not have complete details relating to their PAN and Bank Account, or where there is any change in the bank account details provided earlier, have to compulsorily furnish the details to RTA/ Company for registration /updating.

You are therefore requested to submit the following to update the records:

- KYC Format duly filled in and signed by the shareholder/ or all the shareholders (in case of Joint holders).
- Self-attested copy of PAN Card of the shareholder/ or all the shareholders.
- Cancelled Cheque leaf with name (if name is not printed, self-attested copy of the pass book showing the name of the account holder) of the shareholder/ or first holder.
- Address proof (self-attested Aadhar-card) of the shareholder/ or first holder.
- Any change in the name of the holders.

*Note: You are requested to Ignore this communication if you have already updated you details with RTA / Company.*

9. **SEBI has also mandated that requests for effecting transfer of securities (except transmission or transposition of securities) shall not be processed after March 31, 2019, unless the securities are held in dematerialized form. Hence, the Members holding shares in physical form are requested to convert their holdings to dematerialized form to at the earliest. Members can contact the Company or Skyline Financial Services (P) Ltd. for assistance in this regard.**
10. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. 23<sup>rd</sup> December, 2020 and as per the Register of Members of the Company. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
11. In case of joint holders attending the Meeting, only the Member whose name appears first will be entitled to vote.
12. Since 26<sup>th</sup> AGM of the Company will be held through VC / OAVM Facility, therefore Route Map is not annexed to this Notice.
13. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatch of physical copies of the Notice of the 26<sup>th</sup> AGM and the Annual Report for the year 2019-20 including therein the Audited Financial Statements for Financial Year ended 31<sup>st</sup> March, 2020, are being sent only by email to the Members. Members who have not registered their email addresses with the Company or with their respective Depository



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19. As per provisions of the Companies Act, 2013 read with relevant Rules thereof, facility for making nomination is available to individuals holding shares in the Company. Members holding shares in physical form may obtain Nomination Form No. SH-13 from the Company's RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
20. The Company's equity shares are compulsorily traded in dematerialised form by all investors. Shareholders are requested to get the shares dematerialised in their own interest.
21. **Voting through electronic means**

- (a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Member(s) requiring any assistance with regard to use of technology for remote e-voting or at any time before or during the 26th AGM (including e-voting in the 26th AGM) may contact at email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Ms. Pallavi Mhatre, Manager – NSDL at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) contact at 022-24994545.

Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".

Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

- (b) The remote e-voting period commences on Sunday, December 27, 2020 (9:00 am) and ends on Tuesday, December 29, 2020 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of December 23, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

### 22. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE ASUNDER:-

#### How do I vote electronically using NSDL e-Voting system?

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 are mentioned below:

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open

- the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered:**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
    - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [kanchang0506@gmail.com](mailto:kanchang0506@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@orosil.com](mailto:cs@orosil.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@orosil.com](mailto:cs@orosil.com)

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**



1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

2. The Skyline Financial Services Private Limited, Registrar and Share Transfer Agent, of the Company will be providing VC/OAVM Services.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches. Further shareholders will be required to switch on the video facility.

***Instructions for Shareholders to Speak during the Annual General Meeting:***

1. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [cs@orosil.com](mailto:cs@orosil.com), at least 7 days in advance.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company. The same will be replied by the company suitably.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name for speaking.

23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. December 23, 2020 only shall be entitled to avail the facility of remote e-voting.

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> December, 2020 may obtain the login ID and password by sending an email to [info@orosil.com](mailto:info@orosil.com) or [info@skylinerta.com](mailto:info@skylinerta.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) by mentioning their Folio No./DP ID and Client ID No.

24. The Company has appointed Ms. Kanchan Gupta, Proprietor of Kanchan Gupta & Associates, (Membership No. ACS 45470), Practicing Company Secretary as Scrutinizer for conducting and scrutinize the voting and e-voting process in fair and transparent manner.
25. The Scrutinizer shall after the conclusion of voting at the general meeting, first download the votes cast at the AGM and then will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 Hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. The results declared along with the Scrutiniser's Report shall be placed on Company's website at [www.orosil.com](http://www.orosil.com) and on the website of NSDL immediately after the result is declared by the chairman or a person authorized by him in writing and the same will be communicated to the Bombay Stock Exchange (BSE) where the shares of the Company are listed.
27. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to [cs@orosil.com](mailto:cs@orosil.com).

**By Order of the Board of Directors  
For Orosil Smiths India Limited**

**Date: November 30, 2020**  
**Place: Noida**

**B.K. Narula**  
**(Managing Director)**  
**DIN: 00003629**

**Registered Office:**  
Hemkunt Chambers, Flat No.620,  
89, Nehru Place, New Delhi-110019

**ANNEXURE TO THE NOTICE**

**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**1. Mr. Karan Suri (Non Executive Director)**

<b>Brief Resume:</b>	Mr. Karan Suri is a director of Clamp Shoes Private Limited for around 20 years engaged in the business of manufacturing of footwear and footwear components for domestic as well as export further he has done MBA from Symbiosis, Pune.
<b>Date of Birth/ Age</b>	04.12.1977, 43 Years
<b>Date of first Appointment:</b>	09.11.2016
<b>Last Drawn Remuneration</b>	NIL
<b>Directorship held in other Listed Companies*</b>	NIL
<b>Membership/Chairmanship of BoardCommittee in other Listed Companies#</b>	NIL
<b>Nature of expertise in specific functional Area</b>	Business Management and Footwear business
<b>Disclosure of relationship between directors inter-se</b>	No relationship with any other directors, except with Mr. Bhushan Kumar Narula and Mrs. Rita Narula Managing Director and Whole time Director respectively of the company, being their Son-in-Law.
<b>Shareholding in the Company</b>	NIL
<b>Number of Board Meetings attended during the year</b>	5

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**2. Mr. Vinit Aggarwal (Non-Executive Independent Director)**

<b>Brief Resume:</b>	Mr. Vinit Aggarwal has a Bachelor’s degree in Commerce having over 12 years of experience in Medicinal Department and spices.
<b>Date of Birth/ Age</b>	18.04.1983, 37 Years
<b>Date of first Appointment:</b>	30/04/2015
<b>Last Drawn Remuneration</b>	NIL
<b>Directorship held in other Listed Companies*</b>	NIL
<b>Membership/Chairmanship of Board Committee in other Listed Companies#</b>	NIL
<b>Nature of expertise in specific functional Area</b>	Medicines and Spices
<b>Disclosure of relationship between directors inter-se</b>	No relationship with any other directors.
<b>Shareholding in the Company</b>	NIL
<b>Number of Board Meetings attended during the year</b>	5



**4. Mrs. Rita Narula (Whole Time Director)**

<b>Brief Resume:</b>	Mrs. Rita Narula w/o of Mr. Bhushan Kumar Narula is a Jewellery Designer having a vast experience of approximately 30 years in manufacturing and designing of jewellerys and enriching knowledge of Gems and Stones. She is also involved in Divya Chaya Trust as a convener of School which is being run, for last 10 years, and continuously contributing to the company since incorporation.
<b>Date of Birth/ Age</b>	16.07.1958 and 62 years
<b>Date of first Appointment:</b>	01.06.1994
<b>Last Drawn Remuneration</b>	Rs. 5,40,000 per annum
<b>Directorship held in other Listed Companies*</b>	Nil
<b>Membership/Chairmanship of Board Committee in other Listed Companies#</b>	Nil
<b>Nature of expertise in specific functional Area</b>	Designing of jewelry and gems and stones
<b>Disclosure of relationship between directors inter-se</b>	Ms. Rita Narula, Whole Time Director, is related to Mr. B.K. Narula, Managing Director of the Company, being her Husband and to Mr. Karan Suri, Non-Executive Director of the Company, being her son-in-law.  Except above, she is not related with any other Director or Key Managerial Personnel of the Company.
<b>Shareholding in the Company</b>	62,56,735 shares
<b>Number of Board Meetings attended during the year</b>	5

\* Excluding directorship in Unlisted Public Companies, Private Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

# Only two committees i.e. Audit Committee and Stakeholders' Relationship Committee have been considered as per provisions of Regulation 26 of the SEBI (LODR) Regulations, 2015.

**ANNEXURE-I**

Information required under the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 (for the Item No. 7& 8 of this Notice):

S. No.	Name of the Related Party	Name of the Director or Key Managerial Personnel who is related	Nature of relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
1.	Mr. Bhushan Kumar Narula	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director; Mr. Karan Suri, Non-Executive Non-Independent Director	Mr. BK Narula, Self; Mrs. Rita Narula, being his wife; Mr. Karan Suri, being his Son-in-Law	As specified in the resolutions at Item No. 8 & 9 of this Notice.	The transactions will be / were at arm's length basis and in the ordinary course of business.
2.	Mrs. Rita Narula	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director; Mr. Karan Suri, Non-Executive Non-Independent Director	Mrs. Rita Narula, Self; Mr. BK Narula, being her Spouse; Mr. Karan Suri, being her Son-in-Law		
3.	Mr. Sidhi Narula	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director	Daughter of Mr. BK Narula, Managing Director and Mrs. Rita Narula, Whole Time Director		
4.	BK Narula HUF	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director	Mr. BK Narula, Managing Director and Mrs. Rita Narula, Whole Time Director are Member of HUF		
5.	Xtremes Retails Private Limited	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director; Mr. Karan Suri, Non-Executive Non-Independent Director	Mr. BK Narula, Managing Director and Mrs. Rita Narula, Whole Time Director are the Directors and Shareholders, holding more than 2% of its paid-up share capital along with their relatives in Xtremes Retails Private Limited; Wife of Mr. Karan Suri, i.e., Mrs. Ridhi Suri is the		

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			Director and Shareholder of the Company, holding more than 2% of its paid-up share capital		
6.	Sridhi Infra Private Limited	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director; Mr. Karan Suri, Non-Executive Non-Independent Director	Mr. BK Narula, Managing Director and Mrs. Rita Narula, Whole Time Director are the Directors and Shareholders, holding more than 2% of its paid-up share capital along with their relatives in Sridhi Infra Private Limited; Wife of Mr. Karan Suri, i.e., Mrs. Ridhi Suri is the Shareholder (holding more than 2% of Paid-Up Share Capital) of Sridhi Infra Private Limited		
7.	Sukarma Finance Limited	Mr. BK Narula, Managing Director; Mrs. Rita Narula, Whole Time Director; Mr. Karan Suri, Non-Executive Non-Independent Director	Mr. BK Narula, Managing Director and Mrs. Rita Narula, Whole Time Director are the Directors and holds more than 2% of Paid-Up Share Capital along with their relatives in Sukarma Finance Limited; Wife of Mr. Karan Suri, i.e., Mrs. Ridhi Suri is the Director and Shareholder of the Company holds more than 2% of Paid-Up Share Capital		



# BOARD'S REPORT



To,  
The Members,  
Orosil Smiths India Limited

Your Directors have pleasure in presenting 26<sup>th</sup> Annual Report together with the Audited Financial Statements along with the Report of Auditors for the financial year ended 31<sup>st</sup> March, 2020.

## 1. FINANCIAL SUMMARY/HIGHLIGHTS

The highlights of the financial performance of the Company for the financial year ended March 31, 2020 as compared to the previous financial year are as under:

Particulars	Amount (Rs. in Lakh)	
	Financial year ended 31 <sup>st</sup> March, 2020	Financial year ended 31 <sup>st</sup> March, 2019
Revenue from Operations	167.87	157.32
Other Income	0.93	2.59
<b>Total Income</b>	<b>168.80</b>	<b>159.91</b>
Total expenditure excluding Depreciation	179.06	181.43
Add: Depreciation	15.98	16.66
<b>Total expenditure</b>	<b>195.04</b>	<b>198.09</b>
Profit/ (Loss) Before Tax & Exceptional Item	(26.24)	(38.18)
Exceptional Item	0.00	11
<b>Profit/ (Loss) Before Tax</b>	<b>(26.24)</b>	<b>(49.18)</b>
Tax Expenses:		
Current Tax	0.00	0
Deferred Tax	0.00	0
Previous Year Adjustment	0.00	0
<b>Profit / (Loss) after Tax</b>	<b>(26.24)</b>	<b>(49.18)</b>
<b>Other Comprehensive Income</b>	<b>(5.41)</b>	<b>(0.14)</b>
<b>Total Comprehensive Income</b>	<b>(31.65)</b>	<b>(49.32)</b>

## **2. FINANCIAL PERFORMANCE/OPERATIONAL REVIEW**

The revenue from operations and other income for financial year under review were Rs. 168.80 Lakhs as against Rs. 159.91 Lakhs for the previous financial year registering a growth of 5.56% in the current year in comparison to the corresponding previous year. The net loss was Rs. 26.24 Lakhs for the Financial Year under review as against loss of Rs. 49.18 Lakhs for the previous financial year.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone Financial Statements will be made available on the website of the Company at web link <https://orosil.com/pages/investor-annual-report>. Further, a detailed analysis of Company's performance is included in the Management Discussion and Analysis, which forms part of this Annual Report.

## **3. STATE OF COMPANY'S AFFAIRS**

Orosil Smiths India Limited is a company incorporated on 01<sup>st</sup> June 1994 primarily engaged in the business of Manufacturing, fabrication, Sale, Purchase, Traders/ Dealers of all kinds of Gold, Silver, Silver Ornaments/ Utensils and all other items of Gold, Silver and allied business.

Due to growth of trade in jewellery in the online medium, the Company has opened the account to sell their silver jewellery products on Flipkart.com. The company is offering silver jewellery under "Kuhjohl" brand. Earlier company was offering sale of "Kuhjohl" Jewellery on its own website, namely; <https://orosil.com/>.

The Company altered its Memorandum of Association in the Annual General Meeting held on 30<sup>th</sup> September, 2019, to expand its operations in the textile sector, however, the operations under the said sector has not been started yet. The Management is still looking for the potential opportunity to grow in this sector.

Your Directors expect that there will be further improvement in overall performance in the coming years and looking for expansion of business in the sector of manufacturing and trading of all kinds of fashionable garments.

Due to the Corona Virus Disease 2019 (COVID-19), a pandemic declared by the World Health Organization, the nationwide lockdown was imposed by the Central and State Government(s) to control the spread of the disease. Accordingly, the operations of the Company also closed substantially, resulting into adverse effect.

The directors are making efforts to enhance the business activities and can only hope to regain the business activities in future when situation became stable. But we expect business loss to reduce, though it is too early to forecast the situation.

## **4. DIVIDEND**

Due to losses incurred by the Company, your Directors have considered it financially prudent to not to declare any dividend. Therefore, no dividend has been recommended for the year ended 31<sup>st</sup> March, 2020.

**5. TRANSFER TO RESERVES**

The Company has not transferred any amount to Reserves and Surplus during the year under review.

**6. DEPOSITS**

The Company has not accepted/received any Deposits within the meaning of Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended 31<sup>st</sup> March 2020. Further, there was no outstanding public deposits and unclaimed deposits as at 31<sup>st</sup> March, 2020.

**7. SHARE CAPITAL**

During the year under review, the Company did not issue Equity Shares and Preference Shares. The paid-up Share Capital as on 31<sup>st</sup> March, 2020 was 5,22,00,000.

Further, the Company has neither issued shares with differential voting rights nor sweat Equity Shares.

The company has issued 10,88,400, 3.5% Optional Convertible Cumulative Preference Share ("OCCPS") of face value Rs. 10/- each at a premium of Rs. 10/- each, convertible after 5 years from the date of issue. However, OCCPS holders do not have an option to convert into equity share at an earlier date. Now, these shares are convertible at any time, however, till now no request has been received by the Company from OCCPS holders for such conversion.

**8. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

During the year under review, the Company has expanded its business in Textile Sector too. However, the Operations are not yet started in that segment.

**9. DETAILS OF SUBSIDIARIES/ JOINT VENTURE AND ASSOCIATES COMPANY**

The Company does not have any Subsidiary, Joint Venture and Associate Company. During the year under review no company has become or ceased to be its subsidiary, joint venture or associate Company.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to Section 152(6) of the Companies Act, 2013, Mrs. Rita Narula, Managing Director of the Company was liable to retire by rotation and being eligible offers herself for re-appointment, was re-appointed by the Members of the Company in the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2019.

Pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations, Ms. Bhavana Sampath Kumar, the Non-Executive Independent Director of the Company, her tenure expires in the last general meeting, was appointed for the further tenure of 5 consecutive years.

During the year under review, Ms. Himanshi was appointed as the Company Secretary, w.e.f. 03<sup>rd</sup> August, 2019 and has resigned from the post of Company Secretary, w.e.f. 30<sup>th</sup> December, 2019,

the board places on record deep appreciation and valuable guidance provided by her during her tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mr. Karan Suri, Non- Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Pursuant to the provisions of Section 149, 150 and 152 and other applicable provisions of the of the Companies Act, 2013, Mr. Vineet Aggarwal, was appointed as an Additional Director w.e.f. 30.04.2015. He was appointed as a Non-Executive Independent Director of the Company in Annual General Meeting held on 28<sup>th</sup> September, 2015 for a period of 5 consecutive years from the conclusion of that Annual General Meeting. His first tenure of appointment expired on 27<sup>th</sup> September, 2020. The Board of Directors appointed him as an additional Independent Director, w.e.f. 28<sup>th</sup> September, 2020 in their meeting held on September 12, 2020, up to the date of ensuing Annual General Meeting. Accordingly, at the ensuing Annual General Meeting, Company is seeking approval of members by way of a Special Resolution for his second tenure of 5 consecutive years starting from 28 September, 2020 up to 27<sup>th</sup> September, 2025.

Mr. B.K. Narula, Managing Director, who was appointed in the Annual General Meeting held on September 28, 2015 for a period of 5 years and whose term of Appointment expired on 31<sup>st</sup> March, 2020 was re-appointed by Board further period of 3 consecutive years starting from 01.04.2020 in their Meeting held on February 10, 2020.. According, requisite approval of member by way of Special Resolution is required as set out in the notice of the General Meeting forming part of this Annual Report.

Mrs. Rita Narula, Whole Time Director, who was appointed in the Annual General Meeting held on September 28, 2015 for a period of 5 consecutive years and whose term of Appointment expired on 31<sup>st</sup> March, 2020, was appointed by the Board, w.e.f. 01.04.2020 for a further period of 3 consecutive years, subject to the approval of members by way of a Special Resolution. Requisite approval of member is accorded for her re-appointment as Whole Time Director.

Brief resumes of the abovementioned Directors being appointed / re-appointed, nature of their expertise in specific functional areas, details of Directorship in other companies, membership / chairmanship of committees of the board and other details, as stipulated under Regulation 36(3) of SEBI LODR and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India, are given in the Notice forming part of the Annual Report.

All Independent Directors have given declaration to the Company that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI LODR. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other statutory authority.

It may be noted that post Financial Year, pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors and subject to the approval of Members of the Company in the ensuing General Meeting, Mr. Bhushan Kumar Narula is drawing remuneration of Rs. 60,000 per month w.e.f. 1 April, 2020.

No. of Directors and Key Managerial Personnel as on date of this report are:

## 26<sup>th</sup> ANNUAL REPORT \_ 2019-20

- Mr. Bhushan Kumar Narula Managing Director (Chairman)
- Mrs. Rita Narula Whole Time Director
- Ms. Bhavana Sampath Kumar Non- Executive Independent Director
- Mr. Vineet Aggarwal Non- Executive Independent Director
- Mr. Karan Suri Non-Executive Director
- Mr. Sanjay Bana\* Chief Financial Officer (CFO)
- Ms. Dinky Bansal\*\* Company Secretary

\*(Resigned w.e.f. 07<sup>th</sup> July, 2020, due to some personal reasons. However, again re-appointed w.e.f. 30<sup>th</sup> October, 2020).

\*\* (Appointed w.e.f. 30<sup>th</sup> October, 2020).

### 11. NUMBER OF MEETINGS OF THE BOARD

During the year under review, 5 (Five) Board Meetings were held on April 27, 2019, August 03, 2019, August 10, 2019, November 09, 2019, February 10, 2020. The agenda and Notice for the Meetings is prepared and circulated in advance to the Directors and few notices has been sent on shorter notice to the directors of the Company. Then necessary quorum was present in all the meetings. The gap between any two meetings was not more than one hundred and twenty days as prescribed under Companies Act, 2013.

The details of the Board Meetings and attendance of the Directors are as follows:

S. No.	Name of Directors	No. of Board Meeting Held during the year	No. of Board Meetings Attended
1.	Mr. B.K Narula	5	5
2.	Mrs. Rita Narula	5	5
3.	Ms. Bhavana Sampath Kumar	5	1
4.	Mr. Vineet Aggarwal	5	5
5.	Mr. Karan Suri	5	5

### 12. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors here by state that:

- i. in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards had been followed along with proper explanation relating to material departures.;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the Annual Accounts for the year ended 31st March, 2020 on a going concern basis.
- v. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **13. DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and other applicable Regulations, etc. Declarations have been received from all Independent Directors of the Company that they meet the criteria of independence and that they are not aware of any circumstance or situation which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence, as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

All the independent directors of the Company has registered themselves in the Data Bank duly launched by the Indian Institute of Corporate Affairs (IICA).

Your Company has also devised a Policy on Familiarization Programme for Independent Directors which aims to familiarize the Independent Directors with your Company, nature of the industry in which your Company operates, business operations of your Company etc. The said Policy may be accessed on your Company's website at the link:

<http://orosil.in/investors/sebi-policies/famili-prog-for-indep-director.pdf>

### **14. SEPARATE MEETING OF INDEPENDENT DIRECTORS**

During the financial Year ended 31<sup>st</sup> March 2020, a Separate Meeting of the Independent Directors of the Company was held on August 03, 2019, at the corporate office of the Company, inter alia, to discuss:

- a) Review of performance of Non- Independent Directors and the Board as a whole.
- b) Review of performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non- Executive Directors
- c) The quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**15. EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 forms part of the Board Report is annexed herewith as “**Annexure-A**”.

**16. RELATED PARTY TRANSACTIONS**

During the Financial Year under review ended on 31<sup>st</sup> March 2020, all contracts or arrangements or transactions entered into by the Company with related parties were in the ordinary course of business and on an arm’s length basis and were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable. 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 interests of the Company at large.

***However, as per observation of Secretarial Auditor it has been observed that the Company, has entered into the transaction with B K Narula HUF exceeding threshold as specified in the Companies Act, 2013, therefore, the board proposed the ratification of Related party transactions held with B K Narula HUF in the ensuing Annual General Meeting as set out in Resolution No. 8 in the notice annexed to this Annual Report.***

The details of Related Party Transactions are disclosed in Notes to the Financial Statements attached to and forming part of the Annual Financial Statements and also stated in Form AOC-2 annexed as “**Annexure –B**”.

The policy on materiality of Events is as follows:

<http://orosil.in/investors/sebi-policies/policy-on-materiality.pdf>

**17. AUDITORS**

In accordance with the provisions of the Companies Act, 2013 & rules there under, M/s PNG & Co., Chartered Accountants having FRN 021910N, were appointed as Statutory Auditors of the Company by the members in the 23<sup>rd</sup> Annual General Meeting held on July 25, 2017 to fill the casual vacancy in the office of Auditors until the conclusion of the 24<sup>th</sup> Annual General Meeting. The said appointment of Statutory Auditors in casual vacancy arose due to resignation of M/s Kumar Aggarwal & Associates, Chartered Accountants.

On the recommendation of the Audit Committee, the Board recommended the re-appointment of M/s PNG & Co., Chartered Accountants (FRN 021910N) as the Statutory Auditors of the Company for a fresh term of 5 consecutive years, i.e. from the conclusion of the 24<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2018 until the conclusion of 29<sup>th</sup> Annual General Meeting to be held in the Year 2023 subject to ratification of the appointment by the Members, at every Annual General Meeting. As per the notification issued by the Ministry of Corporate affairs (MCA) dated 7<sup>th</sup> May, 2018 for the Companies (Amendment) Act, 2017 and Companies (Audit and Auditors) Amendment Rules, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting, therefore no resolution for such ratification is taken in the Notice of the ensuing AGM.

The observations of the Auditors in their report on accounts and the financial statements read with the relevant rules are self – explanatory.



## 18. AUDITORS' REPORT

The Statutory Auditors of the Company have submitted report to the Members of the Company for the Financial Year 2019-20, which is unqualified, without any reservation or adverse remark or disclaimer. The same report of the auditors is attached to the Financial Statements forming a part of this Report. Therefore, Board does not have any explanation or comment.

## 19. SECRETARIAL AUDITOR

The Board had appointed M/s Kanchan Gupta & Associates, Practicing Company Secretaries to conduct Secretarial Audit for Financial Year 2019-20 pursuant to the provisions of Section 204 of the Companies Act 2013. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2020 is annexed herewith as **Annexure "C"** forming integral part of this report. The said report is contains remark which is stated below:

1. *"Pursuant to Section 203(4) of the Companies Act, 2013, vacancy created due to resignation of Company Secretary of the Company in **January 2019**, not filled-up by the Board at their meeting within a period of six months from the date of such vacancy, however new Company Secretary has been appointed before the date of issuance of this report. Also, due to non-appointment of Company Secretary within prescribed time limits, Financials Statement of the Company for the FY ended 31.03.2019 has not been signed by the Company Secretary, as required by Section 134 of the Companies Act, 2013.*
2. *Pursuant to Section 203(4) of the Companies Act, 2013, vacancy created due to resignation of Company Secretary of the Company in **December 2019**, not filled-up by the Board at their meeting within a period of six months from the date of such vacancy, however new Company Secretary has been appointed before the date of issuance of this report. Also, due to non-appointment of Company Secretary within prescribed time limits, Financials Statement of the Company for the FY ended 31.03.2020 has not been signed by the Company Secretary, as required by Section 134 of the Companies Act, 2013.*
3. *Related party Transactions (Purchase of goods) held between the Company and BK Narula HUF has exceeded the limit prescribed under Section 188 of the Companies Act, 2013 read with the rules framed there under, however no approval of member has been taken by the Company by passing ordinary resolution.*
4. *Re- Appointment of Mr. Bhushan Kumar Narula and Ms. Rita Narula, Managing Director and Whole Time Director respectively, subject to approval of members in the ensuing Annual General Meeting, however, the same has not been intimated to BSE under regulation 30 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.*
5. *Pursuant to Regulation 7(3) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the compliance certificate shall be signed by both the Compliance Officer of the listed entity and the authorized representative of the Share Transfer Agent, however, the same has been signed by the Managing Director instead of Compliance officer of the Company for the compliance certificate of half year ended on 31.03.2020."*



**Management's Reply:**

The Board of Directors considered the remarks received from Secretarial Auditor and give their explanation as follows:

1. *As Ms. Shefali Kesarwani resigned from the post of Company Secretary w.e.f. 13<sup>th</sup> January, 2019, due to some personal reasons. The Company was in the process of appointing a new Company Secretary. But it did not found any suitable candidate as required for the said post.*

*However, the Company has appointed a new Company Secretary, Ms. Himanshi, w.e.f. 03<sup>rd</sup> August, 2020.*

2. *As Ms. Himanshi resigned from the post of Company Secretary w.e.f. 30<sup>th</sup> December, 2019, due to some personal reasons. The Company was in the process of appointing a new Company Secretary. But it did not find, any suitable candidate as required for the said post.*

*Thereafter, due to massive Outbreak of COVID-19, which had been declared as a Pandemic by World Health Organization, and subsequent lock down ordered by the Central and State Government(s) in India, has caused large economic disruption across the country. The government locked down transport services, closed public and private offices, factories and restricted mobilization. Due to such circumstances, the Board of Directors could not find suitable candidate to induct, as the Company was not able to conduct Face-to-Face Interviews.*

*However, the Company has appointed a new Company Secretary, Ms. Dinky Bansal, w.e.f. 30<sup>th</sup> October, 2020.*

3. *During the Financial Year 2019-20, to meet the business need of the Company, the related party contracts / arrangements / transactions with BK Narula HUF exceeded the limits. The aforesaid material related party contracts / arrangements / transactions with BK Narula HUF had already been ratified by the Audit Committee and Board of Directors of the Company at their respective meetings and the transaction is also placed before the members of the Company for their ratification in the Annual General Meeting as set out in Resolution No. 8 of the Notice.*

4. *Re-appointment of Directors doesn't lead to change in Composition or Directorate of the Company. That is why the Company has not intimated this to Stock Exchange. Secondly, the Company was in the process of appointment of a new Compliance Officer to guide the Company. But due to COVID-19 pandemic, not able to conduct interviews.*

*However, the Board of Directors in their meeting held on 30<sup>th</sup> November, 2020, approved seeking the consent of Members for the re-appointments (as set out in the Resolution No. 4 and 5 of this notice) and the Company had intimated about the same to the Bombay Stock Exchange (BSE) pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.*

5. *As the Company has no Compliance Officer appointed during that period, so the same was signed by Managing Director of the Company.*

**20. INTERNAL AUDITOR**

The Board of Directors of the Company had appointed M/s Dua Manral& Associates, Chartered Accountants (ICAI FRN 023245N) as Internal Auditor of the Company for the financial year 2019-20.

**21. COST AUDITOR**

The Company was not required to appoint cost auditor for the financial year 2019-20 pursuant to Section 148 of the Companies Act, 2013.

**22. MAINTENANCE OF COST RECORDS UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013,**

The Company was not required to maintain cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and accordingly such accounts and records are not made and maintained,

**23. BOARD EVALUATION**

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. Accordingly, the Board has carried out formal annual evaluation of its own performance, its directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee in accordance with the manner specified by Nomination and Remuneration Committee of Directors. The manner in which the evaluation has been carried out is explained below: -

The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance of the Board and its Committees. The performance of the individual directors was reviewed on the basis of the criteria such as contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. Formal evaluation of all the directors, the board as a whole and the committees was conducted and was found satisfactory.

**24. NOMINATION & REMUNERATION POLICY**

In accordance with the provisions of Section 178 of the Act, the Board of Directors has adopted a Policy on Board Diversity and Director Attributes and the Remuneration Policy. The Policy on Board Diversity and Director Attributes has been framed to encourage diversity of thought, experience, knowledge, perspective, age and gender in the Board. The Remuneration Policy for Directors, Key Managerial Personnel and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Policy aims to ensure that the level and composition of the remuneration of the Directors, Key Managerial Personnel and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

The policy on appointment and remuneration to Directors can be accessed from the following link:

<http://orosil.in/investors/sebi-policies/Appointment-and-Remuneration-Policy.pdf>

**25. DISCLOSURE UNDER SECRETARIAL STANDARDS**

The Directors state that the Company is complying with all the applicable Secretarial Standards on meetings of the Board of Directors.

**26. COMMITTEES OF THE BOARD**

**Audit Committee**

The Audit Committee of the Company is duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and other applicable laws.

Four Meetings of the Audit Committee were held during the financial year under review. These were held on April 27, 2019, August 10, 2019, November 09, 2019, February 10, 2020.

The composition of the Audit Committee along with meeting & attendance details of each member at the Audit Committee Meetings held during the financial year ended 31<sup>st</sup> March, 2019 are as follows:

S.No	Name	Designation	Category	No. of Audit Committee Meetings held during the year	No. of Audit Committee Meetings Attended
1.	Mr. Vineet Aggarwal	Chairman	Non-executive Independent Director	4	4
2.	Ms. Bhavana S. Kumar	Member	Non-executive Independent Director	4	1
3.	Mr. Karan Suri	Member	Non-executive Director	4	4
4	Mr. BK Narula	Member	Managing Director	4	4

The Committee inter-alia reviews the adequacy of Internal Financial Controls and Financial Statements before they are submitted to the Board for their approval. All the recommendations made by the Audit Committee were accepted by the Board.

**Nomination and Remuneration Committee**

During the year ended 31st March 2020, 4 (Four) Nomination and Remuneration Committee Meeting was held on April 27, 2019, August 03, 2019, August 10, 2019, February10, 2020.

The composition of the Nomination and Remuneration Committee and attendance details are given below:

S. No.	Name	Designation	Category	No. of Nomination and Remuneration Committee meetings held during the year	No. of Nomination and Remuneration Committee Meetings Attended
1.	Ms. Bhavana S. Kumar	Chairperson	Non-executive Independent Director	4	1
2.	Mr. Vineet Aggarwal	Member	Non-executive Independent Director	4	4
3	Mr. Karan Suri	Member	Non-Executive Director	4	4
4	Mr. BK Narula	Member	Managing Director	4	4

**27. RISK MANAGEMENT POLICY**

The Business Risk Evaluation and Management is an on-going process within the Organization. The Company has a structured Risk Management Policy to identify, monitor and minimize risks and also identify business opportunities. The Company has put in place risk minimization and assessment procedures, in order to effectively and efficiently manage risk and address challenges. The objective of Risk Management at Orosil Smiths India Limited is to create and protect shareholder value by minimizing threats or losses and identifying and maximizing opportunities. An enterprise wide risk management framework is applied so that effective management of risks is an integral part of every employee’s job.

<http://orosil.in/investors/sebi-policies/risk-management-policy.pdf>

**28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any Loan and guarantee to any person or body corporate during the financial year. The details of investments made by the Company are in Note No. 3 of the Audited Financial Statements.

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### 29. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Disclosure required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration) Rules, 2014 is annexed as **Annexure-D**.

Further, in accordance with Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of The Companies (Appointment and Remuneration) Rules, 2014, there is no employee who is employed either throughout the financial year 2019-20 or any part thereof, was in receipt of remuneration of rupees one crore two lakhs per annum or rupees eight lakhs fifty thousand per month for part of the year.

### 30. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS

During the year under review, there was no significant material order passed by the Regulators or Courts or Tribunals that could impact the going concern status of the Company and its future operations *except Income Tax Order received during the Financial Year under review consequent of which Bank account of the Company has been freezed for some time.*

### 31. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section, forming part of the Annual Report.

### 32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There are no particulars as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to conservation of energy, research & development, technology absorption during the year under review. Further, there was no Foreign Exchange earnings and outgo during the Financial Year 2019-2020.

### 33. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, which commensurate with the size, scale and complexity of its operations. M/s Dua Manral & Associates, Chartered Accountants, was appointed as Internal Auditors of the Company during the year. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

### 34. CODE FOR PREVENTION OF INSIDER TRADING

The Company has formulated a Code of practices and procedures for fair disclosure of unpublished price sensitive information. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees. The code is uploaded on the website of the Company at <http://orosil.in/investors/code-of-fair-disclosure/Code-of-Fair-Disclosure.pdf>.

**35. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company has established a Vigil Mechanism (Whistle Blower Policy) as per the requirements of Section 177 of the Companies Act, 2013 for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour or any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/ complaints to the Chairman of Audit Committee in a sealed envelope marked confidential for appropriate action.

The details of establishment of such mechanism have been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee. The vigil mechanism (Whistle Blower Policy) may be accessed on the Company's website "[www.orosil.com](http://www.orosil.com)."

**36. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company after the close of the Financial Year till the date of this Report.

**37. LISTING OF SHARES**

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Annual Listing Fee for the financial year 2019-20 has been paid to the Stock Exchange where the Shares of the Company are listed.

**38. CORPORATE GOVERNANCE**

As per Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance provisions as specified in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and Paragraph C, D and E of Schedule V does not apply on the companies whose paid-up share capital and net worth is less than Rupees Ten Crore and Rupees Twenty-Five Crore respectively. Since the paid-up share capital and net worth of the Company is less than the aforesaid threshold limit, the Company is not required to comply with the above mentioned Corporate Governance provisions.

**39. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The criteria of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 is not applicable on the Company during the financial year 2019-2020.

**40. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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### **41. FRAUDS REPORTED BY AUDITORS**

There are no such frauds reported by auditors to the Audit Committee or the Board of Directors, which are committed against the company by officers or employees of the company under Section 143(12) of the Companies Act, 2013.

### **42. ANNUAL REPORT**

The Annual Report containing, inter-alia, the audited financial statements, Boards' Report, Auditors' Report, Management Discussion and Analysis (MDA) report and other important information is circulated to shareholders and other stakeholders and is also available on the Company's website at <https://orosil.com/pages/investor-annual-report>.

### **COVID 19 IMPACT**

Due to the outbreak of Corona virus Disease 2019 (COVID-19), declared a pandemic by the World Health Organization, the nationwide lockdown was imposed by the Central and State Government(s) to control the spread of the disease. Accordingly the business of the Company remained closed for some time. In compliance with the directives issued by the Government, the Company resumed operations in a phased manner. The Company ensured the health and safety of all involved stakeholders by enforcing all published Government guidelines for social distancing and safety. As per the resumption plan of the Company, operations will be ramped-up gradually aligned with the market outlook. The aforesaid lockdown has disturbed the economic activity through interruption in manufacturing process, disruption in supply chain, etc. As a result, this pandemic has an impact on the operations and performance of the Company.

The Company has posted the impact of the COVID-19 on the Company and its operations, on its website that can be accessed through the following link:<http://orosil.in/investors/other-disclosures/Impact-on-Company-Due-to-Covid-19.pdf>.

### **ACKNOWLEDGEMENT**

Your Directors record their sincere appreciation to the employees of the Company at all levels for their co-operation and dedicated services. We also thank all our customers and suppliers who are always co-operative.

We also express our sincere thanks to Bankers, Financial Institutions and the Shareholders for their continued support.

**On behalf of the Board of Directors  
For Orosil Smiths India Limited**

**Rita Narula  
(Whole Time Director)  
DIN: 00006096  
Add: - Apartment No. 501,  
Tower-22, Common Wealth  
Games Village, Delhi 110092**

**B.K. Narula  
(Chairman & Managing Director)  
DIN: 00003629  
Add: - Apartment No. 501,  
Tower-22, Common Wealth  
Games Village, Delhi110092**

**Date: November 30, 2020  
Place: Noida**



**Annexure A to Directors Report**



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2020**

[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	L74110DL1994PLC059341
(ii)	Registration Date	01/06/1994
(iii)	Name of the Company	Orosil Smiths India Limited
(iv)	Category / Sub-category of the Company	Public Company Limited by Shares/ Indian Non-Government Company
(v)	Address of the Registered office and contact details	620, Hemkunt Chambers, 89, Nehru Place, New Delhi-110019 Tel: 0120-2540571-72-73, Fax: +91-120-2540578 Email- info@orosil.com, Website -www.orosil.com
(vi)	Whether listed company Yes / No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Skyline Financial Services Pvt. Ltd D-153A, First Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tel: +91-11- 40450193-97 E-mail: parveen@skylinerta.com Website: www.skylinerta.com

**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:

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1.	Gems and Jewelry	321	99.45

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
-----NIL-----					



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup As Percentage of Total Equity):**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year – 01 <sup>st</sup> April, 2019 (Face value of Rs. 1/- each)				No. of Shares held at the end of the year – 31 <sup>st</sup> March, 2020 (Face value of Rs. 1/- each)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2,38,03,770	-	2,38,03,770	57.61	2,38,55,770	-	23,855,770	57.74	0.13
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	71,74,925	-	71,74,925	17.37	71,22,925	-	71,22,925	17.24	(0.13)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>3,09,78,695</b>	<b>-</b>	<b>3,09,78,695</b>	<b>74.98</b>	<b>3,09,78,695</b>	<b>-</b>	<b>3,09,78,695</b>	<b>74.98</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs / Individuals/ Foreign Nationals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corporates	-	-	-	-	-	-	-	-	-
ii) Banks / FI	-	-	-	-	-	-	-	-	-
iii) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3,09,78,695</b>	<b>-</b>	<b>3,09,78,695</b>	<b>74.98</b>	<b>3,09,78,695</b>	<b>-</b>	<b>3,09,78,695</b>	<b>74.98</b>	<b>-</b>

**Category-wise Share Holding (Continued)**

**B. Public Shareholding**

Category of Shareholders (1)	No. of Shares held at the end of the year – 31 <sup>st</sup> March, 2019 (Face value of Rs. 1/- each)				No. of Shares held at the end of the year – 31 <sup>st</sup> March, 2020 (Face value of Rs. 1/- each)				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(2) Institutions</b>									
a. Mutual Funds	-	-	-	-	-	-	-	-	
b. Banks / FI	-	-	-	-	-	-	-	-	
c. Central Govt.	-	-	-	-	-	-	-	-	
d. State Govt.(s)	-	-	-	-	-	-	-	-	
e. Venture Capital Funds	-	-	-	-	-	-	-	-	
f. Insurance Companies	-	-	-	-	-	-	-	-	
g. FII/ Foreign Portfolio Investors	-	-	-	-	-	-	-	-	
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i. Any Others	-	-	-	-	-	-	-	-	
<b>Sub-total (B) (1)</b>	-	-	-	-	-	-	-	-	
<b>(3) Non-Institutions</b>									
a. Bodies Corp.									
(i) Indian	55,83,650	1,12,000	56,95,650	13.79	56,73,706	1,12,000	57,85,706	14.00	0.21
(ii) Overseas	-	-	-	-	-	-	-	-	-
b. Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9,42,419	3,15,230	12,57,649	3.04	9,84,491	1,82,230	11,66,721	2.82	(0.22)
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	23,36,894	2,03,000	25,39,894	6.15	23,56,280	1,80,000	25,36,280	6.14	(0.01)
c) N.R.I. (Rep & Non-Rep.)	9880	-	9880	0.02	9880	-	9880	0.02	0
d) Any Other (Specify)									
i) Hindu Undivided Family	834232	-	834232	2.02	836717	-	836717	2.03	0.01
ii) Clearing Members / House	-	-	-	-	-	-	-	-	-
(iii) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	97,07,075	6,30,230	1,03,37,305	25.02	98,42,075	4,95,230	1,03,37,305	25.02	-
<b>Total shareholding of Public (B) = (B)(1)+(B)(2)</b>	<b>97,07,075</b>	<b>6,30,230</b>	<b>1,03,37,305</b>	<b>25.02</b>	<b>98,42,075</b>	<b>4,95,230</b>	<b>1,03,37,305</b>	<b>25.02</b>	<b>-</b>
<b>Grand Total (A)+(B)</b>	<b>4,06,85,770</b>	<b>6,30,230</b>	<b>4,13,16,000</b>	<b>100</b>	<b>4,08,20,770</b>	<b>4,95,230</b>	<b>4,13,16,000</b>	<b>100</b>	<b>-</b>

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### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the end of the year – 31 <sup>st</sup> March, 2019 (Face value of 1/- each)			Shareholding at the end of the year – 31 <sup>st</sup> March, 2020 (Face value of 1/- each)			
		No. of Shares	% of total Shares of the Company	% of Shares Pledge d / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledge d / encumbered to total shares	% change in shareholding during the year
1	B.K.NARULA	70,40,000	17.04	-	70,40,000	17.04	-	-
2	RITA NARULA	62,56,735	15.14	-	62,56,735	15.14	-	-
3	B.K.NARULA HUF	48,18,465	11.66	-	48,18,465	11.66	-	-
4	SIDHI NARULA	29,77,070	7.21	-	30,02,070	7.27	-	0.06
5	RIDHI SURI	27,11,500	6.56	-	27,38,500	6.63	-	0.07
6	SUKARMA FINANCE LTD.	53,92,175	13.05	-	53,40,175	12.93	-	(0.12)
7	XTREMS RETAILS LIMITED	12,15,000	2.94	-	12,15,000	2.94	-	-
8	SRIDHI INFRA PRIVATE LIMITED	5,67,750	1.37	-	5,67,750	1.37	-	-
	Total	<b>3,09,78,695</b>	<b>74.98</b>	-	<b>3,09,78,695</b>	<b>74.98</b>	-	-

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

Sr. No.	Name of Shareholder	As on 1.4.2019		As on 31.3.2020		Date wise increase / decrease in promoter shareholding during the year			
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date of issue of share/dissolved off	No of shares disposed off	No of shares acquired/issue	No. of shares at the end of the year
1	B.K.NARULA	70,40,000	17.04	70,40,000	17.04	-	-	-	70,40,000
2	RITA NARULA	62,56,735	15.14	62,56,735	15.14	-	-	-	62,56,735
3	B.K.NARULA HUF	48,18,465	11.66	48,18,465	11.66	-	-	-	48,18,465
4	SIDHI NARULA	29,77,070	7.21	30,02,070	7.27	26/07/2019	-	25,000	30,02,070
5	RIDHI SURI	27,11,500	6.56	27,38,500	6.63	26/07/2019	-	27,000	27,38,500
6	SUKARMA FINANCE LTD.	53,92,175	13.05	53,40,175	12.93	12/07/2019	52,000	-	53,40,175
7	XTREMS RETAILS LIMITED	12,15,000	2.94	12,15,000	2.94	-	-	-	12,15,000
8	SRIDHI INFRA PRIVATE LIMITED	5,67,750	1.37	5,67,750	1.37	-	-	-	5,67,750
	Total	<b>3,09,78,695</b>	<b>74.98</b>	<b>3,09,78,695</b>	<b>74.98</b>				<b>3,09,78,695</b>

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of Shareholder	As on 1.4.2019		As on 31.3.2020		Date wise increase / decrease in shareholding during the year		
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	Date	No. of shares disposed off	No. of shares acquired
1.	Religare Finvest Ltd	9,15,000	2.21	9,15,000	2.21	No Change		
2.	Pradeep Kumar Jain HUF	6,70,141	1.62	6,70,141	1.62	No Change		
3.	Delfina Securites Pvt Ltd	526270	1.27	526270	1.27	No Change		
4.	A L Jain Overseas Private Limited	409820	0.99	409820	0.99	No Change		
5.	Nishu Finlease Private Limited	440000	1.06	440000	1.06	No Change		
6.	Nandlala Securities Pvt Ltd	451463	1.09	210788	0.51	10/05/2019	54	
						17/05/2019	240050	
						07/06/2019	10	
						05/07/2019	100	
						02/08/2019	10	
						09/08/2019	50	
						16/08/2019	50	
						30/08/2019	150	
						06/09/2019	51	
						30/09/2019	100	
	04/10/2019	50						
7.	Pawansut Securities Private Ltd	403600	0.98	643600	1.56	17/05/2019	-	240000
8.	N S Sales And Distributors Private Ltd	397396	0.96	493396	1.19	03/01/2020	-	96000
9.	Lakhan Securities Private Ltd	366621	0.89	366621	0.89	No Change		
10.	O J Securities Pvt Ltd	365925	0.89	365925	0.89	No Change		
11.	Samrat Jain	312970	0.76	312970	0.76	No Change		

**(V) Shareholding of Directors and Key Managerial Personnel**

S. No	For each of the Directors & KMP	Shareholding at the beginning of the Year (As on 1 <sup>st</sup> April 2019)		Cumulative shareholding during the Year (As on 31 <sup>st</sup> March 2020)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Mr. Bhushan Kumar Narula, Managing Director</b>				
	At the beginning of the year	7040000	17.04	7040000	17.04
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year			<b>7040000</b>	<b>17.04</b>
<b>2</b>	<b>Ms. Rita Narula, Whole Time Director</b>				
	At the beginning of the year	6256735	15.14	6256735	15.14
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year			<b>6256735</b>	<b>15.14</b>
<b>3</b>	<b>Mr. Vineet Aggarwal, Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year	-	-	-	-
<b>4</b>	<b>Ms. Bhavana Sampath Kumar, Independent Director</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year			-	-
<b>5</b>	<b>Mr. Karan Suri, Non-Executive Director</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year			-	-
<b>6</b>	<b>Mr. Sanjay Bana, Chief Financial Officer</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year			-	-
<b>7</b>	<b>Ms. Himanshi, Company Secretary*</b>				
	At the beginning of the year	-	-	-	-
	Datewise increase/decrease in shareholding during the year	<b>No Change</b>			
	At the end of the Year			-	-

\* Ms. Himanshi resigned from the post of Company Secretary w.e.f. 30<sup>th</sup> December, 2019.

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## V. Indebtness

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year – 1<sup>st</sup> April, 2019</b>				
(i) Principal Amount	-	4,25,000	-	4,25,000
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>4,25,000</b>	-	<b>4,25,000</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	-	50,000	-	12,75,000
· Reduction	-	4,75,000	-	17,00,000
Net Change	-	(4,25,000)	-	(4,25,000)
<b>Indebtedness at the end of the financial year – 31<sup>st</sup> March, 2020</b>				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iv) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-



1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 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**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act/ Regulation of SEBI	Brief Description	Details of Penalty / Punishment / Compounding	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	Regulation 6(1)	Non-Compliance with the requirement to appoint a Qualified Company Secretary as the Compliance Office	Basic Fine of Rs. 21,000+ GST@18%, i.e., 3,780= Rs. 24,780  (Rs. 1,000 per day, i.e., from 13 <sup>th</sup> July, 2020 to 02 <sup>nd</sup> August, 2020)	BSE	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

§ During the Financial Year 2019-20, a notice dated 29<sup>th</sup> December, 2019 was received under Section 143(3) of the Income-Tax Act, 1961 to pay the amount due. The IT Department has passed an order relating to assessment year 2017-18 demanding INR-56.52 Lakhs.

The Company has paid a sum of Rs. 5, 65,210 (10% of the demand for AY 2017-18) in respect of the same.

During the Financial Year under review, Canara Bank Account of the Company has been attached vide order issued by Income Tax Department under section 226(3) of the Income Tax Act, 1961.

**DECLARATION BY MANAGING DIRECTOR REGARDING CONFIRMATION OF  
COMPLIANCE OF CODE OF BUSINESS CONDUCT AND ETHICS**

To,

The Members of Orosil Smiths India Limited

This is to declare that to the best of my knowledge and belief all the Members of the Board and Senior Management Personnel of the Company have affirmed their respective Compliance with the Company's Code of Conduct and Ethics for the year ended March 31, 2020.

**By Order of the Board of Directors  
For Orosil Smiths India Limited**

**Date: 30 November, 2020**

**Place: Noida**

**B.K.Narula  
(Managing Director)  
DIN: 00003629**

**Registered Office:**

Hemkunt Chambers, Flat No.620,  
89, Nehru Place, New Delhi-110019

**Annexure B to Directors Report**
**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*)

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

- 1. Details of contracts or arrangements or transactions not at arm's length basis- Nil**
- 2. Details of material contracts or arrangements or transactions at arm's length basis**

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2020 are as follows:

<b>S. No</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements/ transactions and Salient Terms</b>	<b>Amount paid as advances , if any:</b>
<b>1.</b>	Sukarma Finance Limited (Associate)	Rent Received amounting to Rs. 16,500/-	As per terms and conditions of Agreement and contract	Nil
<b>2.</b>	Mrs. Rita Narula (Whole Time Director)	Rent Paid amounting to Rs.60,000/-	As per terms and conditions of Agreement and contract	Nil
<b>4.</b>	Xtrems Retails Private Limited	Purchase of gold and Silver (goods) amounting to Rs.1,33,103/-	–	Nil
<b>5.</b>	B.K. Narula HUF	Purchase of Gold and Silver (goods) amounting to Rs. 17,89,000 Sale of gold and silver (goods) amounting to Rs.12,90,000/-	–	Nil
<b>6.</b>	Chik Mik Leasing & Investment Co. Pvt. Ltd.	Receivables of Rs. 10,32,856/- (For Sale of Assets, i.e. Property last year)	–	Nil

For and on behalf of the Board of Directors  
For Orosil Smiths India Limited

**Rita Narula**  
Whole Time Director  
DIN: 00006096  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village, Delhi 110092

**B.K. Narula**  
Chairman & Managing Director  
DIN: 00003629  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village, Delhi 110092

Date: November 30, 2020  
Place: Noida

**Annexure C to Directors Report**

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020**  
*(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014)*

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**To,**  
**The Members,**  
**Orosil Smiths India Limited**  
**CIN: L74110DL1994PLC059341**  
**Hemkunt Chambers 89, Flat no. 620**  
**Nehru place New Delhi-110019**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Orosil Smiths India Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company is required to have proper Board-processes and compliance-mechanism in place, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under, as amended till date;
- (iv) Foreign Exchange Management Act, 1999 and the rules/regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings: **(Not Applicable during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended till date;
- (d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period);**
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during Audit Period)**
- (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during Audit Period);** and
- (j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during Audit Period).**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement as entered into by the Company with Bombay Stock Exchange (BSE) Limited;

During the period under review and as per the representations and clarifications made, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above **subject to the following observations,**

1. *“Pursuant to Section 203(4) of the Companies Act, 2013, vacancy created due to resignation of Company Secretary of the Company in **January 2019**, not filled-up by the Board at their meeting within a period of six months from the date of such vacancy, however new Company Secretary has been appointed before the date of issuance of this report. Also, due to non-*

*appointment of Company Secretary within prescribed time limits, Financials Statement of the Company for the FY ended 31.03.2019 has not been signed by the Company Secretary, as required by Section 134 of the Companies Act, 2013.*

2. *Pursuant to Section 203(4) of the Companies Act, 2013, vacancy created due to resignation of Company Secretary of the Company in **December 2019**, not filled-up by the Board at their meeting within a period of six months from the date of such vacancy, however new Company Secretary has been appointed before the date of issuance of this report. Also, due to non-appointment of Company Secretary within prescribed time limits, Financials Statement of the Company for the FY ended 31.03.2020 has not been signed by the Company Secretary, as required by Section 134 of the Companies Act, 2013.*

3. *Related party Transactions (Purchase of goods) held between the Company and BK Narula HUF has exceeded the limit prescribed under Section 188 of the Companies Act, 2013 read with the rules framed thereunder, however no approval of member has been taken by the Company by passing ordinary resolution.*

4. *Re- Appointment of Mr. Bhushan Kumar Narula and Ms. Rita Narula, Managing Director and Whole Time Director respectively, subject to approval of members in the ensuing Annual General Meeting, however, the same has not been intimated to BSE under regulation 30 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015.*

5. *Pursuant to Regulation 7(3) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the compliance certificate shall be signed by both the Compliance Officer of the listed entity and the authorized representative of the Share Transfer Agent, however, the same has been signed by the Managing Director instead of Compliance officer of the Company for the compliance certificate of half year ended on 31.03.2020."*

**We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with National Gem and Jewellery Authority (NGJA) Act No. 50 of 1993, Gems and Jewellery Export Promotion Council (GJEPC) and rules made there under, applicable specifically to the Company, however, currently company is not carrying on any business relating to Manufacturing of Jewellery.

Based on the information received and records maintained, **we further report that:**

- i. The Board of Directors of the Company has been duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review,
- ii. Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent in advance except two meetings where notice and notes to agenda have been given at a shorter period of time than stated above, with the consent of a majority of the Directors, which includes one Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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- iii. As per the minutes of the meetings duly recorded and signed by the Chairperson, all decisions at Board Meetings and Committee Meetings are carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members.

Based on the compliance mechanism established by the Company and on the basis of the Certificate(s) issued by Managing Director and Chief Financial Officer of the Company and taken on record by the Board of Directors at their meeting(s),

**We further report that**, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has no specific event/action having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines, if any, etc, except as follows:-

1. The Company has received penalty order from Bombay Stock Exchange for non-compliance of Regulation 6 relating to appointment of Company Secretary of the Company.
2. There are frequent changes in the position of Company Secretary, which is impacting the good corporate governance of the Company.
3. During the year under financial year under review, Canara Bank Account of the Company has been attached vide order issued by Income Tax Department under Section 226(3) of the Income Tax Act, 1961

**For Kanchan Gupta & Associates  
Company Secretaries**

**Kanchan Gupta**  
COP No. 19810  
ACS No. 45470

Date: December 02, 2020  
Place: Delhi

This report is to be read with my letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report

**Annexure-1**

**To,**  
**The Members,**  
**Orosil Smiths India Limited**  
CIN: L74899DL1994PLC059341  
Hemkunt Chambers 89, Flat no. 620  
Nehru place New Delhi-110019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and relied upon the disclosures mentioned in the Financial Statement of the Company. Also, we have been informed Labour law compliances are not applicable on the Company, due to number of employees are below 10.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Kanchan Gupta & Associates**  
**Company Secretaries**

**Kanchan Gupta**  
COP No. 19810  
ACS No. 45470

Date: December 02, 2020,  
Place: Delhi



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
**The Members of**  
**Orosil Smiths India Limited**  
**620, Hemkunt Chambers,**  
**89, Nehru place, New Delhi 110019**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Orosil Smiths India Limited having CIN L74110DL1994PLC059341 and having registered office at 620, Hemkunt Chambers, 89, Nehru place, New Delhi 110019 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment
1.	Mr. Bhushan Kumar Narula	00003629	01/06/1994
2.	Ms. Rita Narula	00006096	01/06/1994
3.	Ms. Bhavana Sampath Kumar	05260084	28/05/2012
4.	Mr. Vineet Aggarwal	00539344	30/04/2015
5.	Mr. Karan Suri	01193500	09/11/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Kanchan Gupta & Associates**

**Kanchan Gupta**

COP No. 19810

ACS No. 45470

Date: December 05, 2020

Place: Delhi

## Annexure D to Directors Report

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended on 31<sup>st</sup> March, 2020: Mr. B.K. Narula, Managing Director receives a remuneration of Re. 1 per month and Ms. Rita Narula receives a remuneration of Rs. 45000 per month, hence the information is not comparable and not provided.

2. Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of Director/KMP	Designation	% increase in remuneration during the financial year 2019-20
1.	Mr. B.K. Narula	Managing Director	No Change
2.	Ms. Rita Narula	Whole Time Director	No Change
3.	Mr. Sanjay Bana	Chief Financial Officer	No Change
4.	Ms. Himanshi <sup>#</sup>	Company Secretary	N.A.

<sup>#</sup>Ms. Himanshi resigned from the post of Company Secretary w.e.f 30<sup>th</sup> December, 2019. Hence, % increase in remuneration in Financial Year ended March 31, 2020 is not applicable.

3. The percentage increase in the median remuneration of employees in the Financial Year 2019-20: NIL.
4. The no. of permanent employees on the rolls of Company as on March 31, 2020 was 7.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil
6. It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the company.

For and on behalf of the Board of Directors  
For Orosil Smiths India Limited

Rita Narula  
Whole Time Director  
DIN: 00006096  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092

B.K. Narula  
Chairman & Managing Director  
DIN: 00003629  
Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092

Date: November 30, 2020  
Place: Noida

## Managing Director/ CEO and CFO Certification

To

The Board of Directors

We, Bhushan Kumar Narula, Managing Director and Sanjay Bana, Chief Financial Officer certify that:

a) We have reviewed the Financial Results for the year ended March 31, 2020 to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 are fraudulent, illegal or violative of the Company's Code of Conduct.

c) i) There has not been any significant change in internal control over financial reporting during the period under reference;

ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

**Sanjay Bana**  
**(Chief Financial Officer)**  
**PAN No. AAHPB3698N**  
**Add: FC-92, Lajpat Nagar,**  
**Sahibabad, Ghaziabad,**  
**Uttar Pradesh-201005**

**B K Narula**  
**(Chairman & Managing Director)**  
**DIN No. 00003629**  
**Add: Apartment No. 501,**  
**Tower-22, Common Wealth**  
**GamesVillage, Delhi - 110092**

**Date: November 30, 2020**

**Place: Noida**

# Management Discussion and Analysis Report

## A. INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company is engaged in the manufacturing and sale of silver jewellery, gold jewellery as well as plain and trading of Silver Articles. The Company launched two brands by the name “Kuhjohl” and “Sincere” for semi-precious and precious stones studded in gold and silver. The management is planning to move forward in this business of Gold, silver and jewellery and other various steps to take forward the business of the Company at greater heights.

Also, the Company expanded its business in Textile area by altering its Memorandum in previous Annual General Meeting held on 30<sup>th</sup> September, 2019. However, the management is still looking into potential opportunities to commence business in this sector and has not initiated any activity yet.

## B. OPPORTUNITY AND THREATS

Your Company is looking forward for the great opportunity in this line of business of online providing platform of selling gold and Silver Jewellery and Garments. It can be a great boost to the financials of the company and in the same way the export markets as well as the domestic market are gaining momentum.

However, the COVID-19 pandemic, the business of the Company has been impacted. The Company is not able to fetch the work orders and requirements of the customers because of unavailability of resources, resulting which the Company is not able to do business for the said period.

## C. SEGMENT –WISE OR PRODUCT WISE PERFORMANCE

The Company operates in only single segment. The Company is operating in two brands by the name “Kuhjohl” and “Sincere” for semi-precious and precious stones studded in gold and silver.

Currently, the Company operating in one segment only and has not yet started its operations in Textile Sector.

## D. OUTLOOK

The overall outlook of the Company has improved during the Financial Year 2019-20. Your Company is looking forward to the new opportunities in the Gems & Jewellery and Textile Sector to expand and diversify the business into new areas and looking for a bright future of the Company, subject to the stability of the Conditions.

**E. RISK AND CONCERN**

The prices of the precious metals is the matter of concern for the Company, otherwise jewellery is always a value addition.

The Company in order to identify and mitigate risks to minimize its impact on business, ensures that prudent risk management practices are followed during the decision-making process. Moreover, any slowdown in the economic growth in India could cause the business of the Company to suffer. The growth of industrial production has been variable.

However, due to global pandemic COVID 19, various restrictions imposed by the Government in respect to the pandemic and further consequence of complete lock down announced by the Government of India, the operations of the Company also closed substantially, resulting into adverse effect on the business.

**F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has maintained a proper and adequate system of internal controls. This ensures that all Assets are safeguarded and protected against loss from unauthorized use or disposition. The Audit Committee and Independent Internal Auditors regularly review the operating systems and procedures for efficiency and effectiveness.

Your company's internal control systems do commensurate with the nature and size of its business operations. The company's Policy and process corrections are undertaken based on inputs from the internal auditors.

**G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

During the year under review Financial performance of your Company involves the Income from operations which is Rs. 167.87 Lakhs (Previous Year: Rs.157.31 Lakhs).

Profit after Tax (PAT) has been a loss of Rs.26.24 Lakhs as compared to a loss of Rs. 49.18 Lakhs in previous year.

The directors are making efforts to enhance the business activities and can only hope to regain the business activities in future when situation became stable. But we expect business loss to reduce, though it is too early to forecast the situation.

**H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

Your Company is continuously trying to retain the Competencies of Organizational talent, contributing towards the enhancement of business activities and success of the Company deeming the human resource are very much important for the success of the company.

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. The Board of

Directors of your company would like to place on record their sincere appreciation for the efforts and contribution made by all the employees of the Company in the challenging environment.

Due to COVID-19, the Company's main business activity majorly is completely shut. The office staff (including key personnel) have been allowed to work from home and connected to each other by means of available electronic infrastructure.

**I. Cautionary Statement**

Certain Statements in the Management Discussion and Analysis Report describing the Company's view about the industry, expectations, objectives, etc may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Factors like changes in government regulations, tax laws and other factors such as industrial relations and economic developments or like current pandemic COVID-19, etc. may further influence the Company's operations.

**For and on behalf of the Board of Directors  
For Orosil Smiths India Limited**

**Rita Narula**  
**Whole Time Director**  
**DIN: 00006096**  
**Add: Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**B.K. Narula**  
**Chairman & Managing Director**  
**DIN: 00003629**  
**Add: Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**Date: 30<sup>th</sup> November, 2020**  
**Place: Noida**

**INDEPENDENT AUDITOR'S REPORT**

**TO  
THE MEMBERS OF  
OROSIL SMITHS INDIA LIMITED**

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

We have audited the accompanying financial statements of **OROSIL SMITHS INDIA LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

There are no key audit matters requiring information to the members of the company found during audit.

### Emphasis of Matter

1. We draw attention to financial statement, in relation to the uncertainties and potential impact of the covid-19 pandemic of the company's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.
2. We draw attention to financial statement, in relation to outstanding balances of trade receivable, trade payable and loans and advances which are subject to confirmation and subsequent adjustment, if any. Our opinion is not modified in respect of this matter.

### Other Matter

Investments are stated at the fair value arrived on the basis of last available audited financial statement of the invested entity. Our conclusion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Financial Statements

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



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

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of

the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

The consequences of the Covid-19 pandemic on financial statement reporting and audit engagements are complex and have resulted in challenges for management, those charged with governance (TCWG) and auditors. There is an unprecedented level of uncertainty about the economy, future earnings and many other inputs that represent fundamental elements of financial reporting. The uncertainty arising from the current environment increased the challenge in obtaining the sufficient appropriate audit evidence needed to form an independent view about the reasonableness of management's estimates and judgments which present practical challenges to the audit engagement.

There are no limitations in audit except measures taken to contain the spread of the COVID-19, including travel bans, quarantines, social distancing and closure of non-essential services have triggered to perform the audit procedures from the remote areas.

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

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income/loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has paid/provided for managerial remuneration, as stipulated to section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India (if any).

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

### **For PNG & CO**

Chartered Accountants  
(Firm’s Registration No.021910N)

### **Prabhat Kumar**

Partner  
(Membership No. 087257)  
UDIN: 20087257AAAACZ6571  
Place: Delhi  
Date: June 30, 2020

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of OROSIL SMITHS INDIA LIMITED of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **OROSIL SMITHS INDIA LIMITED**(the “Company”) as of March 31, 2020 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 Board of Directors of the Company 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 (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

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

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

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

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

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial 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 ICAI.

**For PNG & CO**

Chartered Accountants  
(Firm's Registration No.021910N)

**Prabhat Kumar**

Partner  
(Membership No. 087257)  
UDIN: 20087257AAAACZ6571

Place: Delhi  
Date: June 30, 2020

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

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of OROSIL SMITHS INDIA LIMITED of even date)**

**1. In respect of the Company's Property, Plant and Equipments:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.
- (b) The Company has a regular program of physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are verified in a phased programme designed to cover all the items over the period of 3 year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the record, we report that, the title deeds of all the immovable properties of land and buildings are held in the name of the Company as at the balance sheet date.

**2. In respect of Inventories**

The physical verification of inventory excluding for goods-in-transit & stocks with third parties has been conducted at reasonable intervals by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

**3. In respect of Loans given by the company**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not granted loans, secured and unsecured to companies, firms, limited liability partnerships or other parties in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). (Register of contracts and arrangements in which director are interested). Therefore, reporting under paragraph 3(iii) is not applicable.

**4. In respect of Loans to Directors and Investments made by the Company**

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company has not granted any loan or provided any guarantees or security to any party covered under section 185 of the act. The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

**5. In respect of Deposits**

In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Thus, paragraph 3(v) of the Order is not applicable to the Company.

**6. In respect of maintenance of Cost Records**

Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under subsection (1) of the section 148 of the act in respect to its products.

**7. In Respect of Statutory Due**

According to the information and explanations given to us, in respect of statutory dues:

- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues amounting to Rs. 56.52/-- Lakhs, in respect of income tax material statutory dues were in arrears which have not been deposited on account of dispute, are as follows:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Disputed Amount (in Lakhs )
Income Tax Act, 1961	Income Tax	CIT (A)	AY 2017-2018	56.52

**8. In respect of Repayment of Loan**

According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The company has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company for debenture.

**9. In respect of utilization of IPO, further public offer & term loans**

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

**10. In respect of Reporting of Fraud**

On the basis of verification of records and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

**11. In respect of approval of Managerial Remuneration**

In our opinion and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration, Director(s) during the year as stipulated to section 197 read with Schedule V to the Act,

**12. In respect of reporting in a Nidhi Company**

The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

13. **In respect of Related Party Transactions**  
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 have been entered into by the company in its ordinary course of business on an arm's length basis and are in complied with provisions of section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24 related party disclosures specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules 2014.
14. **In respect of reporting of Private placement / preferential allotment of shares / debentures**  
According to the records of Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and complied with provisions of clause (xiv) of paragraph 3 of the Order not applicable.
15. **In respect of reporting of Non-Cash Transactions**  
In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013. Accordingly reporting under paragraph 3(xv) of the Order is not applicable
16. **In respect of reporting of Registration u/s 45-IA of RBI Act, 1934**  
The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, provisions of clause (xvi) of paragraph 3 of the Order are not applicable.

**For PNG & CO.,**  
Chartered Accountants  
(Firm's Registration No.021910N)

**Prabhat Kumar**  
Partner  
(Membership No.087257)  
UDIN: 20087257AAAACZ6571

Place: Delhi  
Date: June 30, 2020



**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620, 89, NEHRU PLACE, NEW DELHI 1100

CIN L74110DL1994PLC059341

Balance Sheet as at 31st March, 2020

**Statement of Assets and Liabilities**

(Amount in Rs.)

Particulars	Schedule No.	As at 31st March, 2020	As at 31st March, 2019
		Audited	Audited
<b>A. ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	1	13,411,337	14,540,365
b) Intangible assets	2	5,487	9,038
c) Financial assets			
- Investments	3	2,103,247	2,554,078
d) Other Financial Assets	4	437,822	428,920
		<b>15,957,893</b>	<b>17,532,402</b>
<b>Current assets</b>			
Inventories	5	11,881,854	13,653,637
Financial assets			
- Trade receivables	6	3,43,377	6,17,624
- Cash and cash equivalents	7	3,21,545	4,12,991
- Other financial assets	8	70,943	3,01,594
Other current assets	9	1,413,412	1,495,568
<b>Total Current Assets</b>		<b>140,031,130</b>	<b>16,481,412</b>
<b>TOTAL ASSETS</b>		<b>29,989,023</b>	<b>34,013,814</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10	52,200,000	52,200,000
Other equity	11	(22,991,208)	(20,206,671)
<b>Total Equity</b>		<b>29,208,792</b>	<b>31,993,329</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term provisions	12	463,853	303,560
		<b>463,853</b>	<b>303,560</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	13	-	4,25,000
Short-term provisions	14	14,968	10,457
Other current liabilities	15	301,410	1,281,468
<b>Total Current Liabilities</b>		<b>3,16,378</b>	<b>1,716,925</b>
<b>Total Liabilities</b>		<b>7,80,231</b>	<b>2,020,485</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>29,989,023</b>	<b>34,013,814</b>

The accompanying notes are integral part of these standalone financial statements  
As per our Report of even date

**For and on behalf of Board of Directors**

**Sanjay Bana**  
**Chief Financial Officer**  
**FC-92, Lajpat Nagar, Sahibabad,**  
**Ghaziabad, Uttar Pradesh-201005**

**B.K. Narula**  
**Chairman & Managing Director**  
**DIN: 00003629**  
**Add: Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**Rita Narula**  
**Whole Time Director**  
**DIN:00006096**  
**Add: Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**For PNG & CO.,**  
Chartered Accountants  
(Firm's Registration No.021910N)

**Prabhat Kumar**  
Partner  
(Membership No.087257)  
UDIN: 20087257AAAACZ6571

**Place: Delhi**  
**Date: June 30, 2020**

## 26<sup>th</sup> ANNUAL REPORT \_ 2019-20

### OROSIL SMITHS INDIA LIMITED

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620, 89, NEHRU PLACE, NEW DELHI 110019

CIN L74110DL1994PLC059341

#### Statement of Profit and Loss for the period ended 31 March, 2020 (Amount in Rs.)

	Particulars	Schedule No.	For the period ended	For the period ended
			31-Mar-20	31-Mar-19
	<b>Income</b>			
I	Revenue from operations	16	16,787,311	15,731,895
II	Other income	17	92,875	258,819
III	<b>Total income (I+II)</b>		<b>16,880,186</b>	<b>15,990,714</b>
	<b>Expenses</b>			
	Cost of material Consumed	18	6,625,797	8,867,991
	Purchases of Stock-in-Trade	19	5,991,888	4,786,044
	Changes in Inventories of Finished goods and stock in trade	20	525,648	298,514
	Employee benefits expense	21	1,493,369	1,374,394
	Finance costs	22	10,408	58,033
	Depreciation and amortization	1&2	1,598,001	1,665,825
	Other Expenses	23	3,259,426	2,757,986
	<b>Total expense (IV)</b>		<b>19,504,536</b>	<b>19,808,786</b>
V	<b>Profit/(loss) before exceptional items and tax (I-II)</b>		<b>(2,624,350)</b>	<b>(3,818,072)</b>
VI	Exceptional Items		-	1,100,389
VII	<b>Profit/(loss) before tax from continuing operations (V-VI)</b>		<b>(2,624,350)</b>	<b>(4,918,460)</b>
VIII	Income taxes			
	Current tax		-	-
	Adjustment of tax relating to earlier periods		-	-
	Deferred tax (credit)/charge		-	-
	<b>Income tax expense</b>		<b>-</b>	<b>-</b>
IX	<b>(Loss)/Profit for the period (VII-VIII)</b>		<b>(2,624,350)</b>	<b>(4,918,460)</b>
X	<b>Other Comprehensive Income</b>			
	A (i) Item that will not be reclassified to profit or loss		(540,896)	(13,679)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Item that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XI	<b>Total Comprehensive Income for the year (X+XI)</b>		<b>(3,165,245)</b>	<b>(4,932,139)</b>
	<b>Earning per equity share of ₹ 10 each (for continuing operation)</b>			
	Basis (₹)		(0.06)	(0.12)
	Diluted (₹)			
	<b>SIGNIFICANT ACCOUNTING POLICIES</b>	24 to 38		

The accompanying notes are integral part of these standalone financial statements.  
As per our Report of even date.

**For and on behalf of Board of Directors**

**Sanjay Bana**  
**Chief Financial Officer**  
**FC-92, Lajpat Nagar, Sahibabad,**  
**Ghaziabad, Uttar Pradesh-201005**

**B.K. Narula**  
**Chairman & Managing Director**  
**DIN: 00003629**  
**Add: Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**Rita Narula**  
**Whole Time Director**  
**DIN:00006096**  
**Add: Apartment No. 501, Tower-22,**  
**Common Wealth Games**  
**Village Delhi 110092**

**For PNG & CO.,**  
Chartered Accountants  
(Firm's Registration No.021910N)

**Prabhat Kumar**  
Partner  
(Membership No.087257)  
UDIN: 20087257AAAACZ6571

**Place: Delhi**  
**Date: June 30, 2020**

**OROSIL SMITHS INDIA LIMITED**

Regi. Add.: HEMKUNT CHAMBERS, FLAT NO. 620, 89, NEHRU PLACE, NEW DELHI 110019

CIN L74110DL1994PLC059341

**Cash Flow Statement for the year ended March 31, 2020**

**(Amount in Rs.)**

Particulars	31 March 2020	31 March 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Tax	(2,624,350)	(4,918,460)
Adjustments for:		
Depreciation and amortization expenses	1,598,001	1,665,825
Remeasurement of Gain/ (Loss) on Actuarial Valuation	(90,065)	86,920
Finance cost	-	58,033
Interest (Income)	(12,498)	(18,275)
Other (Income)	(23,700)	(66,000)
Income tax receivable written off	-	(323,287)
<b>Operating profit before working capital changes</b>	<b>(1,152,612)</b>	<b>(3,515,245)</b>
Adjustments for:		
(Increase)/decrease in trade & other receivables	274,247	1,079,416
(Increase)/decrease in other assets	303,905	983,306
(Increase)/decrease in other liabilities	(980,058)	1193151.08
(Increase)/decrease in inventories	1,771,783	834,267
(Increase)/decrease in trade & other payable	-	(67,956)
(Increase)/decrease in provisions	164,804	(11,581)
	<b>382,069</b>	<b>495,357</b>
Less: Direct tax paid (net of refund)	-	-
	382,069	495,357
Less: Exceptional items		
<b>Net cash flows (used in)/ generated from operating activities after exceptional items</b>	<b>382,069</b>	<b>495,357</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(84,710)	-
Rental Income	16,500	66,000
Interest received	12,498	18,275
Dividend Received	7,200	-
<b>Net cash flows (used in)/ generated from investing activities</b>	<b>(48,512)</b>	<b>84,275</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from short term borrowings	(425,000)	(542,580)
Interest paid	-	(58,033)
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(425,000)</b>	<b>(600,613)</b>
<b>Net Increase/(Decrease) in Cash and Bank balance</b>	<b>(91,443)</b>	<b>(20,980)</b>
Add: Cash and cash equivalence at beginning of the year	412,991	433,972
Cash and cash equivalence at end of the year	<b>321,548</b>	<b>412,992</b>
<b>Cash and Cash Equivalence as per above comprises of the following</b>	31.03.2020	31.03.2019
<b>Cash and Cash Equivalence (Refer Schedule No. 7)</b>	321,545	412,991

The accompanying notes are integral part of these standalone financial statements.

As per our Report of even date.

**Notes:**

1. The cash flow statement has been prepared under the Indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

**For and on behalf of Board of Directors**

**Sanjay Bana**  
**Chief Financial Officer**  
FC-92, Lajpat Nagar, Sahibabad,  
Ghaziabad, Uttar Pradesh-201005

**B.K. Narula**  
**Chairman & Managing Director**  
DIN: 00003629  
Add: Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092

**Rita Narula**  
**Whole Time Director**  
DIN: 00006096  
Add: Apartment No. 501, Tower-22,  
Common Wealth Games  
Village Delhi 110092

**For PNG & CO.,**  
Chartered Accountants  
(Firm's Registration No.021910N)

**Prabhat Kumar**  
Partner  
(Membership No.087257)  
UDIN: 20087257AAAACZ6571

**Place: Delhi**  
**Date: June 30, 2020**

Notes to Accounts for the year ended March 31, 2020

(Amount in Rs.)

<b>1. Property, plant and equipment</b>										
(Amount in ₹)										
Particulars	COST				DEPRECIATION				WDV	
	Total As on 01.04.2019	Addition	Sales / Disposal	Total As on 31.03.2020	As On 1.04.2019	For the year	Adjustment	Total As On 31.03.2020	As on 31.03.2020	As on 31.03.2019
<b>Tangible Assets</b>										
Land	4,152,041	-	-	4,152,041	-	-	-	-	4,152,041	4,152,041
Building	22,607,499	-	-	22,607,499	16,814,753	550,311	-	17,365,064	5,242,434	5,792,745
Lease Hold Improvements	1,141,237	-	-	1,141,237	1,141,237	-	-	1,141,237	-	-
Plant & Machinery	13,527,875	43,661	-	13,571,536	11,297,607	251,626	380,710	11,168,522	2,403,014	2,230,268
Furniture & Fittings	9,021,617	-	-	9,021,617	8,444,303	149,467	-	8,593,770	427,847	577,314
Vehicle	6,201,585	-	-	6,201,585	4,935,869	395,283	-	5,331,152	870,433	1,265,716
Office Equipments	6,879,695	23,983	-	6,903,678	6,361,154	240,308	-	6,601,462	302,216	518,541
Computers	2,155,651	17,066	-	2,172,717	2,151,911	7,454	-	2,159,365	13,352	3,740
<b>Total</b>	<b>65,687,200</b>	<b>84,710</b>	<b>-</b>	<b>65,771,910</b>	<b>51,146,834</b>	<b>1,594,449</b>	<b>380,710</b>	<b>52,360,573</b>	<b>13,411,337</b>	<b>14,540,365</b>
<b>Previous Year</b>	<b>65,687,200</b>	<b>-</b>	<b>-</b>	<b>65,687,200</b>	<b>49,487,035</b>	<b>1,659,800</b>	<b>-</b>	<b>51,146,834</b>	<b>14,540,367</b>	<b>16,200,165</b>

<b>2. Other Intangible Assets</b>										
(Amount in ₹)										
Particulars	COST				DEPRECIATION				WDV	
	Total As on 01.04.2019	Addition	Sales / Disposal	Total As on 31.03.2020	As On 1.04.2019	For the year	Adjustment	Total As On 31.03.2019	As on 31.03.2020	As on 31.03.2019
<b>Intangible Assets</b>										
Web Portal	3,701,140	-	-	3,701,140	3,693,401	3,041	-	3,696,443	4,698	7,739
Softwares	1,524,830	-	-	1,524,830	1,523,530	511	-	1,524,041	789	1,300
<b>Total</b>	<b>5,225,970</b>	<b>-</b>	<b>-</b>	<b>5,225,970</b>	<b>5,216,932</b>	<b>3,552</b>	<b>-</b>	<b>5,220,484</b>	<b>5,487</b>	<b>9,038</b>
<b>Previous Year</b>	<b>5,225,970</b>	<b>-</b>	<b>-</b>	<b>5,225,970</b>	<b>5,210,906</b>	<b>6,026</b>	<b>-</b>	<b>5,216,932</b>	<b>9,038</b>	<b>15,064</b>

## Non Current Financial assets

3	Investment	As at '31 March 2020	As at '31 March 2019
	<b>Investment in Equity</b>		
	Sridhi Infra Pvt. Ltd. (Unquoted share 3200000 of Rs.1 each)	2,064,964	2,513,287
	Citizen Co-Operative Bank Ltd. (Unquoted share 800 of Rs 10 Each)	38,283	40,791
		<b>2,103,247</b>	<b>2,554,078</b>

4	Other financial assets	As at '31 March 2020	As at '31 March 2019
	<b>Unsecured and considered goods</b>		
	Security Deposits	153,737	154,237
	Deposit with Tax Authority	284,085	274,684
		<b>437,822</b>	<b>428,920</b>

5	Inventories	As at '31 March 2020	As at '31 March 2019
	Raw Material	2,194,719	3,440,855
	Finished Goods	9,687,135	10,212,783
		<b>11,881,854</b>	<b>13,653,637</b>

## Current Financial assets

6	Trade receivables	As at '31 March 2020	As at '31 March 2019
	<b>Unsecured and considered goods</b>		
	Trade Receivables		
	More than six Month	<b>343,377</b>	<b>617,624</b>
	Other	-	-
	Receivables from related parties	-	-
		<b>343,377</b>	<b>617,624</b>

7	Cash and cash equivalent	As at '31 March 2020	As at '31 March 2019
	Cash in hand	294,704	481,819
	<b>Cash In Bank balance</b>		
	Balances with banks:		
	– On current accounts	26,841	(68,828)
		<b>321,545</b>	<b>412,991</b>

8	Other Assets	As at '31 March 2020	As at '31 March 2019
	<b>Unsecured and considered goods</b>		
	Advance to supplier	70,943	301,594
		<b>70,943</b>	<b>301,594</b>

9	Other current assets	As at '31 March 2020	As at '31 March 2019
	<b>Unsecured and considered goods</b>		
	Income Tax Receivable	1,828	3,511
	GST Input Receivable	328,530	300,250
	Prepaid Expenses	50,197	58,951
	Others	1,032,857	1,132,857
		<b>1,413,412</b>	<b>1,495,568</b>



<b>10 Share Capital</b>				
		<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>	<b>As at '31 March 2018</b>
<b>a.</b>	<b>Authorised Share Capital</b>			
	44,116,000 equity shares of Rs.1 each	44,116,000	44,116,000	44,116,000
	10,88,400 Preference shares of Rs.10 each	10,884,000	10,884,000	10,884,000
		<b>55,000,000</b>	<b>55,000,000</b>	<b>55,000,000</b>
<b>b.</b>	<b>Issued equity capital</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>	<b>As at '31 March 2018</b>
	<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>			
	41,316,000 equity shares of Rs. 1 each	41,316,000	41,316,000	41,316,000
	Issued during the year	-	-	-
		41,316,000	41,316,000	41,316,000
	10,88,400 Preference shares of Rs. 10 each	10,884,000	10,884,000	10,884,000
	Issued during the year	-	-	-
		10,884,000	10,884,000	10,884,000
		<b>52,200,000</b>	<b>52,200,000</b>	<b>52,200,000</b>

<b>c. Reconciliation of the shares outstanding at the beginning and at the end of the year</b>					
<b>Equity Share</b>					
		<b>As at '31 March 2020</b>		<b>As at '31 March 2019</b>	
		<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
	At the beginning of the year	41,316,000	41,316,000	41,316,000	41,316,000
	Issued during the year	-	-	-	-
	At the end of the year	<b>41,316,000</b>	<b>41,316,000</b>	<b>41,316,000</b>	<b>41,316,000</b>
<b>Reconciliation of the shares outstanding at the beginning and at the end of the year</b>					
<b>Preference Share</b>					
		<b>As at '31 March 2020</b>		<b>As at '31 March 2019</b>	
		<b>Nos.</b>	<b>Amount</b>	<b>Nos.</b>	<b>Amount</b>
	At the beginning of the year	1,088,400	10,884,000	1,088,400	10,884,000
	Issued during the year				
	At the end of the year	<b>1,088,400</b>	<b>10,884,000</b>	<b>1,088,400</b>	<b>10,884,000</b>

<b>d. Terms/ rights attached to equity shares</b>	
	The Company has one class of equity shares having par value of Rs. 1 per share. Each holder of equity shares is entitled to one vote per share.
<b>Terms/ rights attached to Preference shares</b>	
	The company has issued 10,88,400,3.5% Optional Convertible Cumulative Preference Share ("OCCPS") of face value Rs. 10/- each at a premium of Rs. 10/- each, convertible after 5 years from the date of issue. However, OCCPS holders does not have an option to convert into equity share at an earlier date. Now, These shares are convertible at any time. The OCCPS Share holders have a right to receive dividend prior to the equity share holder. The dividend proposed by the Borard of Directors if any on the OCCPS is subject to the approval of the shareholders at the Annual general meeting, except in case of intrim dividend. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution to all preference shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders.

<b>e. Details of shareholders holding more than 5% shares in the company</b>					
		<b>As at '31 March 2020</b>		<b>As at '31 March 2019</b>	
		<b>Nos.</b>	<b>% Holding</b>	<b>Nos.</b>	<b>% Holding</b>
	B. K. Narula	7,040,000	17.04%	7,040,000	17.04%
	B. K. Narula (HUF)	4,818,465	11.66%	4,818,465	11.66%
	Rita Narula	6,256,735	15.14%	6,256,735	15.14%
	Sidhi Narula	3,002,070	7.27%	2,977,070	7.21%
	Ridhi Narula	2,738,500	6.63%	2,711,500	6.56%
	Sukarma Finance Ltd.	5,340,175	12.93%	5,392,175	13.05%

<b>11</b>	<b>Other Equity</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	Retained earnings	(38,192,804)	(35,408,268)
	Capital Reserve	4,317,600	4,317,600
	Securities premium account	10,884,000	10,884,000
		<b>(22,991,204)</b>	<b>(20,206,668)</b>

<b>12</b>	<b>Long term provisions</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	Provision for leave encashment	44,057	37,801
	Provision for gratuity	419,796	265,759
		<b>463,853</b>	<b>303,560</b>

	<b>Borrowings</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
<b>13</b>	<b>Current Borrowings</b>		
	Term Loan from Bank	-	-
	From Director	-	425,000
		-	<b>425,000</b>

<b>14</b>	<b>Short term provisions</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	Provision for leave encashment	2,913	2,641
	Provision for gratuity	12,055	7,816
		<b>14,968</b>	<b>10,457</b>

<b>15</b>	<b>Other current Liabilities</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	Duties & Taxes	8,195	4,250
	Other Liability	293,215	77,218
	Advance From Customers	-	1,200,000
		<b>301,410</b>	<b>1,281,468</b>

<b>16.</b>	<b>Revenue from operations</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	Sale of Product	16,787,311	15,731,895
		<b>16,787,311</b>	<b>15,731,895</b>

<b>17.</b>	<b>Other income</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	Interest Income	12,391	18,275
	Service Income	50,000	173,000
	Interest on Income tax refund	107	-
	Rental Income	16,500	66,000
	Liabilities written Back	6,677	1,544
	Dividend Income	7,200	-
		<b>92,875</b>	<b>258,819</b>
<b>18.</b>	<b>Cost of materials consumed</b>	<b>As at '31 March 2020</b>	<b>As at '31 March 2019</b>
	<b>Opening Stock</b>		
	Raw Materials	3,440,855	3,976,608
		<b>3,440,855</b>	<b>3,976,608</b>
	<b>Add : Purchase</b>		
	Raw Materials	5,374,811	8,311,221
	Consumables	4,850	21,016
		<b>5,379,661</b>	<b>8,332,237</b>
	<b>Less : Closing Stock</b>		
	Raw Materials	2,194,719	3,440,855
		<b>2,194,719</b>	<b>3,440,855</b>
	<b>Cost of Materials Consumed</b>	<b>6,625,797</b>	<b>8,867,991</b>

19. Purchase of Stock-in-trade	As at '31 March 2020	As at '31 March 2019
Purchase	5,991,888	4,786,044
	<b>5,991,888</b>	<b>4,786,044</b>

20. Changes in inventories of finished goods, work-in-progress and stock-in-trade	As at '31 March 2020	As at '31 March 2019
Inventories at the end of the year		
Finished Goods	9,687,135	10,212,783
	<b>9,687,135</b>	<b>10,212,783</b>
Inventories at the beginning of the year		
Finished Goods	10,212,783	10,511,296
	<b>10,212,783</b>	<b>10,511,296</b>
Net (Increase) / Decrease	<b>525,648</b>	<b>298,514</b>

21. Employee benefits expense	As at '31 March 2020	As at '31 March 2019
Salaries, wages and bonus	1,447,770	1,333,735
Staff welfare expenses	45,599	40,659
	<b>1,493,369</b>	<b>1,374,394</b>

22. Finance costs	As at '31 March 2020	As at '31 March 2019
Interest on borrowings	-	48,012
Bank Charges	10,408	10,021
	<b>10,408</b>	<b>58,033</b>

23. Other expenses	As at '31 March 2020	As at '31 March 2019
Payment to auditor's		
-Tax Audit	15,000	15,000
- Statutory Audit	57,500	57,500
Communication expenses	100,119	93,819
Director's Remuneration	540,012	540,012
Meeting Expenses	42,733	31,316
Electricity & water Charges	341,714	336,598
Insurance	80,527	101,769
Bad debts	-	900
Other Interest	890	245
Rate & Taxes	18,500	7,500
Office maintenance	115,595	178,664
Provision for Gratuity and leave encashment	74,739	75,340
Repair & maintenance other	50,848	70,025
Rent	60,000	120,000
Printing & Stationery	54,767	50,070
Sundry Balance W/off	301,592	-
Legal & professional charges	164,450	120,950
Memberships fees & Subscription	318,000	283,650
Vehicle Running & maint.	208,710	189,967
Registrar & Transfer Agent expenses	100,000	-
Sales Promotion and marketing Expenses	312,664	141,638
Security charges	288,000	288,000
Short & excess	(1)	(32)
Traveling and conveyance	5,647	6,554
Vat appeal Fees	-	2,815
Miscellaneous expenses	7,421	45,686
	<b>3,259,426</b>	<b>2,757,986</b>

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March, 2020****Note:- 24 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****I. Background**

Orosil Smiths India Limited was incorporated in June 01, 1994 as per Companies Act, 1956, The Company is operating in Gems and Jewellery sector.

**II. Significant Accounting Policies followed by the Company****(a) Basis of preparation****(i) Compliance with Ind AS**

These financial statement have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standard) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) Defined benefit plans – plan assets measures at fair value;
- 2) Investment in Equity share of the companies measures at fair value.

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

**(iv) Rounding of amounts**

All amount disclosed in the financial statements and notes have been rounded off to the nearest Rupees as per the requirement of Schedule III, unless otherwise stated.

**(b) Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factor (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual result and estimates are recognized in the period in which the results are known/ materialized.

The said estimates are based on the facts and event, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

**(c) Property, plant and equipment**

The Company had applied for the onetime transition exemption of considering the carrying cost on the transition date i.e. April 1, 2016 as the deemed cost under Ind AS. Hence regarded as historical cost.

Freehold Land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on Building, Plant and Equipment, is provided on a pro-rata basis on written Down Value Method (WDV) over the estimated useful life of assets. Leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the period of lease or estimated useful life, whichever is lower. The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act. The residual values are not more than 5% of the original cost of the assets. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. In case of pre-owned assets, the useful life is estimated on a case to case basis. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of Profit and Loss.

Type of Assets Block	Use full life (In Year)	WDV Rate
<b>Vehicle</b>	<b>8</b>	<b>31.23%</b>
<b>Building (other than factory buildings) other than RCC Frame Structure</b>	<b>30</b>	<b>9.50%</b>
<b>Computer</b>	<b>3</b>	<b>63.16%</b>
<b>Software</b>	<b>6</b>	<b>39.30%</b>
<b>Land</b>	<b>0</b>	
<b>Furniture &amp; Fittings</b>	<b>10</b>	<b>25.89%</b>
<b>Office Equipment</b>	<b>5</b>	<b>45.07%</b>
<b>Plant &amp; Machinery</b>	<b>15</b>	<b>18.10%</b>

**(d) Intangible Assets**

Software are stated at cost, less accumulated amortization and impairments, if any. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of Profit and Loss.

**(e) Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institution, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in value.

**(f) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realizable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are 'First-in-First-out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

**(g) Investments and other financial assets****(i) Classification**

The company classifies its financial assets in following measurement categories:

- (1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) Those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value, Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value either through other comprehensive income, or through the Statement of Profit and Loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(iv) Significant Estimates:**

The carrying value of exposure is determined by an independent valuer. The company uses judgment to select from variety of methods and make assumptions which are mainly based on market conditions existing at the end of each reporting period.

**(h) Impairment of non-financial assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if event or changing circumstances indicate that they might be impaired. Other assets are tested for impairment whenever event or changing circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purpose of assessing impairment assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating unit). Non – financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(i) Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Company classified as held for sale continue to be recognized.

**(j) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**Tax expenses recognized in the Statement of Profit and Loss**

Particulars	Year ended 31 <sup>st</sup> March, 2020	Year ended 31 <sup>st</sup> March, 2019
<b>Current Tax</b>		
Current tax on taxable income for the year	NIL	NIL
<b>Total current tax expense</b>	Nil	NIL
<b>Deferred tax</b>		
Deferred tax charge/(credit)	NIL	NIL
MAT credit (taken)/utilized	NIL	NIL
<b>Total deferred income tax expenses/(benefit)</b>	NIL	NIL
Tax in respect of earlier years	NIL	NIL
<b>Total income tax expenses</b>	<b>NIL</b>	<b>NIL</b>

**(k) Manufacturing & Operating expenses**

The company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the group.



**(l) Borrowings**

Borrowing are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference share, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference share is recognized in Statement of Profit and Loss as finance costs.

**(m) Segment Reporting**

The Company operates under single operating segment and hence requirement of Segment reporting is not applicable.

**(n) Borrowing Costs**

Borrowing cost directly attributable to the acquisition, construction or production of qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period which they are incurred and reported in finance costs.

**(o) Provisions and contingent liabilities**

Provisions are recognized only when there is present obligation, as a result of past event, and when a reliable estimate of amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjust reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- Present obligation arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized. However, when inflow of economic benefit is probable, related asset is disclosed.

**(p) Revenue Recognition**

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, it does not adjust any of the transaction prices for the time value of money.

Revenue from services are recognized as per the contractual arrangement.

**Other Income**

Interest Income: Interest income is recognized on the time proportion basis taking into account outstanding and the rate applicable.

Dividend income is recognized when right to receive payment is established.

**(q) Post-employment, long term and short-term employee benefits****Defined contribution plans**

Provided fund: Contribution towards provided fund for certain employee is made to the regulatory authorities, where the company has no further obligation. Such benefits are classified as Defined contribution schemes as the company does not carry and further obligation, apart from the contribution made on a monthly basis.

**Defined benefit plans**

Gratuity is post-employment benefit defined under The Payment of Gratuity Act, 1972 and in the nature of defined benefit plan. The liability is recognized in the financial statement in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumption are credit or charged to statement of OCI in the year in which such gains or losses are determined.

**Other long-term employee benefits**

Liability in respect of compensated absence is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit cost method.

Actuarial gains and losses arising from past experience and changes in actuarial assumption are charged to statement of profit & loss in the year in which such gains or losses are determined.

**Short-term employee benefits**

Expenses in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which service rendered by the employee.

**(r) Foreign currency transaction****(i) Functional and presentation currency**

The financial statement is presented in Indian rupee (INR), Which is Company's function and presentation currency.

**(ii) Transaction and balances**

Transaction in foreign currencies is recognized at the prevailing exchange on the transaction dates. Realized gains and losses on settlement of foreign currency transaction are recognized in the statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rate and resultant exchange difference is recognized in Statement of Profit and Loss.

**(s) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognized is based on assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

**(t) Earnings per share**

Basis earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholder (after deducting attributable taxes) by the weighted average number of equity share outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholder and weighted average number of share outstanding during the period are adjusted for the effects of all dilutive potential equity share.

- (u)** The preparation of company's financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of revenues, expenses, assets, and liabilities, and related disclosures.

*Significant management judgements and estimates:*

The following are significant management's judgments and estimates in applying the accounting policies of the company that have the most significant effect on the financial statements.

- 1) Deferred tax assets recognition is based on an assessment of the probability of future taxable income against which the deferred tax assets can be utilized.
- 2) The evaluation of applicability of indicators of impairment of assets require assessments of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- 3) At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.
- 4) Management's estimates of the Defined Benefit Obligation (DBO) is based on a number of critical assumptions such as standard rates of inflation, discount rate and anticipation of future salary increase. Variation in this assumption may significantly impact the DBO amount and the annual defined benefit expenses.
- 5) Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instruments. The management uses the best information available. Estimated fair values may vary from the actual price that would be achieved in an arm's length transaction at the reporting date.
- 6) Management reviews its estimates of useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence.

**23. Contingent Liabilities**

-The company has given Bank Guarantee to Sales Tax authorities amounting to Rs. 115,000/- As at March 31, 2020 (Previous year Rs. 1, 15,000/-).

-The Income Tax Department relating to A.Y 2017-18 wherein order demanding INR 56.52 lakh was passed by Income Tax Department, Delhi.

**24. Related Party Disclosures**
**(A) List of Related Parties and Relationship**
**Key Management Personnel**

Mr. B.K. Narula, Managing Director

Mrs. Rita Narula, Whole Time Director

Mrs. Bhavana Sampath Kumar, Director

Mr. Vineet Aggarwal, Director

Mr. Karan Suri, Director

Mrs. Himanshi Arora, Company Secretary (Resigned on 30.12.2019)

Mr. Sanjay Bana, CFO

**Relative of key Management Personnel**

Ms. Ridhi Suri

**Entities over which key Management Personnel are able to exercise significant influence**

B. K. Narula (HUF)

Xtrems Retails Pvt. Ltd.

Sridhi Infra Pvt. Ltd.

Chik Mik Leasing & Investment Co Pvt Ltd

Sukarma Finance Ltd.

**(B) The following transaction were carried out with related party in the ordinary course of business**

Particulars	2019-20	2018-19
<b>Remuneration</b>	In Rs.	In Rs.
Mr. B.K. Narula	12	12
Mrs. Rita Narula	5,40,000	5,40,000
<b>Salary, Bonus &amp; Conveyance</b>		

**OROSIL SMITHS INDIA LIMITED**  
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Mr. Sanjay Bana	4,53,420	4,53,420
Ms. Shefali Kesarwani	NIL	1,90,516
Ms. Himanshi	106129	NIL
<b>Rent paid</b>		
Mrs. Rita Narula	60,000	1,20,000
<b>Rent Received</b>		
Sukarma Finance Ltd.	16,500	66,000
<b>Advance from customer</b>		
B.K.Narula (HUF)	NIL	12,00,000
<b>Loan taken</b>		
Rita Narula	50,000	425,000
<b>Loan Repayment</b>		
Rita Narula	4,75,000	NIL
<b>Sales</b>		
B.K.Narula (HUF)	12,90,000	13,90,367
Ms. Ridhi Suri	NIL	4,56,829
Xtrems Retails Ltd	NIL	1,46,775
<b>Purchase</b>		
Xtrems Retails Pvt. Ltd	1,33,103	1,39,050
B.K.Narula (HUF)	17,89,000	NIL
<b>Sale of assets</b>		
Chik mik leasing & Investment Co Pvt Ltd	NIL	10,32,856

Receivable		
Chik mik leasing & Investment Co Pvt Ltd	10,32,856	10,32,856

## 25. Capital and other Commitment

There are no Capital and other commitment outstanding as at March 31, 2020.

<b>26. Remuneration to Director</b>	Current Year	Previous Year
	5,40,012/-	5,40,012/-
<b>27. Amount Paid to Auditors</b>	Current Year	Previous Year
(a) As Audit Fees	57,500/-	57,500/-
(b) For other service	15,000/-	15,000/-

## 28. Earnings per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Number of share outstanding during the year	4,13,16,000	4,13,16,000
Net profit after tax available for equity Shareholder (rupees)	(26,24,350)	(49,18,461)
Basis/Diluted earning per equity share (in Rupees)	(0.06)	(0.12)

## 29. Employee Benefits

### Defined Benefits plan

#### (i) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employee who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basis salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The scheme is unfunded.

The following table summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the amount recognized in the balance sheet.

Particulars	Gratuity Benefits	
	As at 31 March 2020	As at 31 March 2019

Total Expenses recognized in the Statement of profit & Loss	68,211/-	66,956/-
Actual contribution and benefit payments for year		
Actual benefit payments	-	-
Actual contributions	-	-
Other comprehensive (income)/- expenses	90,065/-	(63,972/-)
Net Asset / (liability) recognized in the Balance Sheet (opening)	(2,73,575/-)	(2,70,591/-)
Present value of defined benefit obligation	-	-
Fair value of plan assets	-	-
Funded status [surplus /(Deficit)]	-	-
Unrecognized past service costs	-	-
Net assets / (liability) recognized in the Balance Sheet	(4,31,851/-)	(2,73,575/-)

**Actuarial assumption used**

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.78%	7.83%
Salary Growth rate	5.00%	5.00%
Mortality	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00%	2.00%
Retirement Age	60 years	60 year

**30.** Based on the information available with the management, there are no outstanding dues to Micro, Small and medium Enterprises as per Micro, Small and Medium Enterprise Development Act, 2006 as at year end (previous year – Nil)

**31.** Fair value of investment in equity instruments is taken on the basis of audited financial statement available for the F.Y. 2018-19.

**32.** The company does not have any exposure in respect of foreign currency denominated assets and liabilities (not hedged by derivative instruments) as at 31 March 2020.

**33.** Balance of trade receivable, Trade Payable and Loans and Advances are subject to independent confirmation and reconciliation.

**34.** Keeping in view the prudence and absence of virtual certainty of future taxable income, the deferred tax assets on unabsorbed business losses and depreciation has not been created as on the reporting date.

**35.** Previous year figures have been regrouped whenever is necessary.

**36. Financial instruments**

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities measured at fair value - recurring fair value measurements

Rs. in lacs

Particulars	Level 1	Level 2	Level 3	Total
As at 31 March 2020				
Financial assets				
Investments at fair value through OCI				
Equity Instruments	-	-	21.03	21.03
<b>Total</b>	-	-	<b>21.03</b>	<b>21.03</b>
As at 31 March 2019 through OCI				
Financial assets				
Investments at fair value				
Equity Instruments	-	-	25.54	25.54
<b>Total</b>	-	-	<b>25.54</b>	<b>25.54</b>

**37. Financial risk management**

i) Financial instruments by category



Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortized Cost	FVTPL	Amortized Cost
<b>Financial assets</b>				
Trade receivable	-	3.43	-	6.17
Cash and Cash Equivalents	-	3.21	-	6.87
Other Financial assets	-	0.71	-	3.01
Other current assets	-	14.13	-	14.96
<b>Total</b>	-	<b>21.48</b>	-	<b>31.01</b>
<b>Financial Liabilities</b>				
Borrowings	-	0	-	4.25
Trade payables	-	-	-	-
Other current liabilities	-	3.01	-	12.81
<b>Total</b>	-	<b>3.01</b>	-	<b>17.06</b>

- (a) The carrying value of trade receivables, cash and cash equivalents, other bank balances, other financial and other current assets recorded at amortized cost, is considered to be a reasonable approximation of fair value.
- (b) The carrying value of borrowings, trade payables and other financial liabilities and other current liabilities recorded at amortized cost is considered to be a reasonable approximation of fair value.

#### ii) Risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is carried out by finance department of the Company under policies approved by the Board of Directors. The Board of Directors provide written principles for overall risk management, as well as policies covering specific areas, such as credit risk, liquidity risk and interest rate.

#### (A) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at reporting date.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, bank deposits and loans is considered negligible, since the counterparties are reputable organizations with high quality external credit ratings.

The Company does not have any expected loss-based impairment recognized on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Details of trade receivables that are past due is given below:

Particulars	As at 31 March 2020	As at 31 March 2019
Not Due	NIL	NIL
0-30 days past due	NIL	NIL
31-60 days past due	NIL	NIL
61-90 days past due	NIL	NIL
More than 90 days past due	3.43	6.17
<b>TOTAL</b>	<b>3.43</b>	<b>6.17</b>

### (B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Contractual maturities of financial liabilities

The tables below analysis the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash

flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

**Rs. in lacs**

31 March 2020	Payable on demand	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-Derivatives</b>						
Borrowings	-	-	-	-	-	-
Trade Payable	-	-	-	-	-	-
Other current Liabilities	-	3.01	-	-	-	3.01
<b>Total</b>	-	<b>3.01</b>	-	-	-	<b>3.01</b>

31 March 2019	Payable on demand	Less than 1 Year	1-2 year	2-3 year	More than 3 years	Total
<b>Non-Derivatives</b>						
Borrowings	-	4.25	-	-	-	4.25
Trade Payable	-	-	-	-	-	-
Other Financial Liabilities	-	12.69	0.12	-	-	12.81
<b>Total</b>	-	<b>16.94</b>	<b>0.12</b>	-	-	<b>17.06</b>

### (C) Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. As at 31 March 2020, the Company's exposure to long term borrowing is NIL.

### 38. Capital Management

The Company's capital management objectives are

- To ensure the Company's ability to continue as a going concern
- To provide an adequate return to share holders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.