



Date: 16th September, 2024

To
Listing Department
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

Ref: Disclosure under Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 read with Sub-Para 1.2 of Para A1 of Annexure I of Circular bearing number SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, issued by SEBI

Scrip Code: 539518

Sub: Outcome of the Board Meeting held on 16th September, 2024

Dear Sir/Madam,

In reference to the above captioned subject and the disclosure made on 31st August, 2024, it is to inform that the Board of Directors of the Company, in their meeting held on 16th September 2024, has considered and approved the Scheme of Arrangement for Amalgamation of Narbada Gems and Jewellery Limited ("Transferor Company") with Uday Jewellery Industries Limited ("Transferee Company" / "the Company") ("Scheme"), on a going concern basis, under the provisions of section 230-232 of the Companies Act, 2013 and the Rules made thereunder.

The above-mentioned Scheme shall be subject to the approval of the BSE Limited ("BSE"/ "Stock Exchange"), Securities Exchange Board of India (SEBI), National Company Law Tribunal ("NCLT"), Shareholders and Creditors of both the Companies and other Specific Sectoral Regulator(s), if any.

The Audit Committee has furnished its report dated 16th September 2024, to the Board of Directors of the Company recommending the Scheme.

Valuation Report dated 16th September 2024, issued by Axiology Valuetech Private Limited, Registered Valuer Entity- all classes (Registration No. IBBI/RV-E/05/2023/201), has been received for the Scheme.

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Fairness Opinion dated 16th September 2024 issued by Corporate Professionals Capital Private Limited, SEBI Registered, Category-I, Merchant Banker on the Share Exchange Ratio, recommended by the Registered Valuer under the Valuation Report, has also been received by the Company.

The Board Considered and Approved for obtaining an Adhoc limit upto Rs. 6.00 Crores from Kotak Mahindra Bank Limited, Rajbahawan Road Branch, Somajiguda, Hyderabad for meeting the Working Capital Requirement .

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed herewith as **Annexure**.

The Board Meeting commenced at 4.30 P.M. and concluded at 5.45 P.M.

Request you to take the same on your records.

Yours faithfully,

For & on behalf of
Uday Jewellery Industries Limited

Ritesh Kumar Sanghi
Managing Director
DIN: 00628033
Place: Hyderabad

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ANNEXURE

Details of the Scheme in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the scheme provides for Amalgamation of Narbada Gems and Jewellery Limited (“Transferor Company”) with Uday Jewellery Industries Limited (“Transferee Company”).

- 1. Name of the entity(ies) forming a part of the Scheme, details in brief such as, size, turnover, etc.**

1.1 Transferor Company:

Narbada Gems and Jewellery Limited (hereinafter also referred to as ‘NGJL’ or ‘Transferor Company’), bearing CIN L01222TG1992PLC014173 was incorporated on 5th May 1992, under the provisions of Companies Act 1956, having its registered office at 1st Floor, 3-6-307/1, 3-6-307/2, 3-6-308/1, Hyderguda Main Road, Simple Natural Systems, Khairatabad, Hyderabad, Telangana – 500004. The Transferor Company is engaged in the manufacturing and trading of Gold, heavily studded with diamonds, colorful Ruby, Emerald and other precious stones. The product range is extensive, including rings, necklace sets, earrings, pendant sets, bangles, bracelets, and maangtikas, among other offerings.

1.2 Transferee Company:

Uday Jewellery Industries Limited (hereinafter also referred to as ‘UJIL’ or ‘Transferee Company’) bearing CIN L74900TG1999PLC080813 was incorporated on 13th May 1999, under the provisions of Companies Act 1956, having its registered office at 2nd Floor, 3-6-307/1, 3-6-307/2, 3-6-308/1, Hyderguda Main Road, Simple Natural Systems, Basheer Bagh, Hyderabad, Telangana – 500004. The Transferee Company is engaged in the business of manufacturing and trading of gold jewellery studded with Cubic Zirconia and other precious stones. UJIL is a leading wholesaler of CZ and coloured stone studded jewellery and supplies to most of the marquee branded retail players of India.

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1.3 The paid-up share capital, net worth, and turnover the companies involved in the Scheme are as follows:

(Amount in Crores)

Name of the Companies	Latest Paid-Up Share Capital (As on date)	Turnover As on 31 st March, 2024	Net Worth As on 31 st March, 2024
Narbada Gems and Jewellery Limited ("Transferor Company")	21.18	81.32	49.64
Uday Jewellery Industries Limited ("Transferee Company")	22.81	173.18	76.74

2. Whether the transaction would fall within related party transactions? and if yes, whether the same is done at "arm's length"?

Yes. The transaction would fall within related party transaction.

However, Ministry of Corporate Affairs vide its General Circular No. 30/2014 dated 17th July, 2014, has clarified that transactions arising out of Compromise, Arrangements and Amalgamations dealt under specific provisions the Companies Act, 2013, will not fall within the purview of related party transaction in terms of section 188 of the Companies Act, 2013.

3. Areas of Business of the Entities

Please refer Paragraph 1, mentioned above.

4. Rationale for amalgamation/merger:

This Scheme of Amalgamation would result, inter-alia, in the following synergies for both the Transferor and Transferee Company and thereby preserving and creating value for its shareholders, creditors and various other stakeholders:

- The Transferor Company and the Transferee Company belongs to the same group having common management and both are engaged in similar line of business activities. Merging these companies will enhance overall business efficiency by achieving economies of scale, streamlining operations, and improving cash flow management. The combined entity will benefit from

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unrestricted access to cash flow, enabling more effective reinvestment into business development and growth opportunities. This amalgamation will also eliminate inter-corporate dependencies, reduce administrative burdens, and maximize shareholder value.

- The amalgamation will provide for more productive and optimum utilization of various resources by pooling of the managerial, technical and financial resources of the Transferor Company and the Transferee Company which will fuel the growth of the business and help effectively address the ever-growing competition.
- The amalgamation will result in economy of scales, reduction in overheads including administrative, managerial and other expenditure, operational rationalization, organizational efficiency and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs.
- The amalgamation will result in reduction in the multiplicity of legal and regulatory compliances required at present to be separately carried out by the Transferor Company and the Transferee Company.
- The amalgamation would motivate employees of the Transferor Company by providing better opportunities to scale up their performance with a larger corporate entity having large revenue base, resources, asset base etc. which will boost employee morale and provide impetus to better corporate performance ultimately enhancing overall shareholder value.
- The Transferor Company and Transferee Company intend to / can achieve larger product portfolio, economies of scale, efficiency, optimization of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams.

The combined entity, on the back of its financial stability, is likely to attract more opportunities for organic and inorganic growth viz., partnerships, acquisitions, and market expansion, translating into enhanced financial prospects.

In summary, the amalgamation of the Transferor Company with the Transferee Company is driven by strategic business objectives of combining and preserving

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businesses of both the Companies, build strong foundation and achieve market competitiveness by combing the collective strength of both the Companies, achieving business and operational synergies & efficiencies, improved financial stability and performance, and thereby preserving and creating long-term value for its various stakeholders.

5. In case of cash consideration- amount or otherwise share exchange ratio:

As per the Valuation Report issued by the Registered valuer for the Scheme, the share exchange ratio approved by the Board of Directors of Transferor Company and Transferee Company is as under -

“Uday Jewellery Industries Limited” (Transferee Company) shall issue and allot 4,623 (Four Thousand Six Hundred Twenty-Three) Equity Shares of Face Value of INR 10/- (Rupees Ten Each) each to Equity Shareholders of “Narbada Gems and Jewellery Limited” (Transferor Company) for every 10,000 (Ten Thousand) Equity Shares of Face Value of INR 10/- (Rupees Ten Each) each held by them in the Transferor Company.”

6. Brief details of change in shareholding pattern of listed entities:

Pre - Arrangement Shareholding of Narbada Gems and Jewellery Limited (“Transferor Company”)

Particulars	No. of shares	Percentage (%)
Promoters	1,58,64,824	74.99
Public	52,92,486	25.01
Total	2,11,57,310	100.00

Post - Arrangement Shareholding of Narbada Gems and Jewellery Limited (“Transferor Company”)

Particulars	No. of shares	Percentage (%)
Promoters	-	-
Public	-	-
Total	-	-

Post Amalgamation, the Transferor Company shall get dissolved without winding up.

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**Pre - Arrangement Shareholding of the Uday Jewellery Industries Limited
("Transferee Company")**

Particulars	No. of shares	Percentage (%)
Promoters	1,62,42,797	73.76
Public	57,79,103	26.24
Total	2,20,21,900	100.00

**Post - Arrangement Shareholding of the Uday Jewellery Industries Limited
("Transferee Company")**

Particulars	No. of shares	Percentage (%)
Promoters	2,35,77,105	74.14
Public	82,25,819	25.86
Total	3,18,02,924	100.00

The Board of Directors of UJIL in their meeting held on Saturday, August 31, 2024, has approved the issuance of upto 22,50,000 (Twenty-Two Lakh Fifty Thousand only) warrants each convertible into, or exchangeable for, one equity share having face value of Rupees 10/- each, within the period of 18 (eighteen months) in accordance with the applicable laws, to the specified Promoter(s) and Members of the Promoter Group and Non-promoter persons.

The post Arrangement shareholding pattern of the Transferee Company assuming the allotment and conversion of the aforementioned fully convertible warrants is as follows:

Particulars	No. of shares	Percentage (%)
Promoters	2,53,27,105	74.38
Public	87,25,819	25.62
Total	3,40,52,924	100.00

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