



**Narbada**  
Gems and Jewellery Limited

**Date: 29.08.2023**

**The Department of Corporate Services,  
BSE Limited,  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street Fort,  
Mumbai-400001**

**Re: Submission of Annual Report of the Company for the Financial Year 2022-23**

**Ref: Scrip Code: 519455**

Dear Sir/ Madam,

Pursuant to Regulations 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith copy of Annual Report for the Financial Year 2022-23.

This is for your information and we request you to kindly take the same on record.

Thanking you,

Yours truly,

**For NARBADA GEMS AND JEWELLERY LIMITED**

**SANJAY KUMAR SANGHI  
(Managing Director)  
DIN: 00629693**

**Encl:** As stated above

**Registered Office:**

3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad-500 029, Telangana, India

Ph: +91 -40-48506411: Email: [comsec@narbadajewellery.com](mailto:comsec@narbadajewellery.com); Website: [www.narbadajewellery.com](http://www.narbadajewellery.com)

**Manufacturer, Exporter, Wholesalers, Retailers.**

31<sup>st</sup>  
**ANNUAL  
REPORT**

**2022-2023**

**NARBADA GEMS AND JEWELLERY LIMITED**



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**BOARD OF DIRECTORS**

Shri Sanjay Kumar Sanghi	- Chairperson- Managing Director
Shri Ritesh Kumar Sanghi	-Director
Smt. Bhavna Sanghi	-Director
Shri Siddharth Goel	-Independent Director
Shri Ramprasad Vempati	-Independent Director
Shri Sunil Garg	-Independent Director
Mr. Bajranglal Agarwal	-Chief Financial Officer
Ms. Shivani Rastogi	-Company Secretary & Compliance Officer (w.e.f.01.07.2021 to 11.05.2023)
Ms. Harsha Gami	-Company Secretary & Compliance Officer (w.e.f. 10.08.2023)

**AUDITORS**

M/s Anant Rao & Mallik  
Chartered Accountants,  
B-409/410, Kushal Towers, Khairatabad, Hyderabad-500004

**BANKERS**

KOTAK MAHINDRA BANK LIMITED

**REGISTERED OFFICE**

3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad-500029

**REGISTRAR & SHARE TRANSFER AGENTS**

CIL Securities Limited  
208, Raghava Ratna Towers, Chirag Ali Lane, Abids Hyderabad-500001  
Phone: 040-23202465; Fax: 010-23203028  
Email: rta@cilsecurities.com

**NOTICE**

Notice is hereby given that the **Thirty First Annual General Meeting** (“the Meeting” or “AGM”) of **NARBADA GEMS AND JEWELLERY LIMITED** (“the Company”) will be held on **Thursday, 21st September, 2023 at 03:30 P.M.** (IST) through Video Conferencing (VC)/ Other Audio -Visual Means (OAVM), to transact the following business:

**ORDINARY BUSINESS:**

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the reports of the Board of Directors and Auditors thereon.**
- To appoint Director in place of Mrs. Bhavana Sanghi, Director (DIN: 02681438), who retires by rotation and being eligible, offers herself for re-appointment. (Brief Profile Annexure -A to this Notice)**

**SPECIAL BUSINESS:**

- To approve the Material Related Party Transactions of the Company, and in this regard, to pass, with or without modifications, the following resolution as Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in accordance with the Company’s policy on Related Party Transaction(s), approval of the members be and is hereby accorded to enter at prevailing market rates and at arm’s length basis and in the ordinary course of business of the Company with the related parties as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, as follows:

<b>Sl. No.</b>	<b>Name of related parties</b>	<b>Nature of relationship</b>	<b>Type of Contract/ Transaction</b>	<b>Transaction Limit</b>	<b>Duration</b>
1.	Sanghi Jewellers Private Limited	Company having common directors	Purchase/ sale of various manufactured products and availing Jobwork services, at prevailing market rates and on arm’s length basis.	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	01.10.2023 to 30.09.2024
2.	Uday Jewellery Industries Limited	Company having common directors	Sale/ purchase of various manufactured products, at prevailing market rates and on arm’s length basis	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	From 01.10.2023 to 30.09.2024

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all such acts, deeds, matters and things as may be considered necessary or expedient to give effect to this resolution.”

**4. To consider and approve the remuneration payable to Mrs. Sakshi Sanghi, as Head-Designs, a relative of the Director in Office or Place of Profit.**

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in accordance with the Company’s policy on Related Party transaction(s), approval of the members be and is hereby accorded for the appointment as Head- Designs and payment of remuneration to Mrs. Sakshi Sanghi, a relative of the Director in position of Office or Place of Profit on the recommendation of Nomination and remuneration committee.”

**Remuneration:**

Remuneration per month payable in INR shall be adjusted as follows and subject to deduction of Tax at source as per prevailing Income Tax Rules:

**Consolidated Salary of Rs. 3,50,000 per month bifurcated as under:**

a.	Basic Salary:	1,75,000 per Month
b.	Dearness Allowance:	70,000 per Month
c.	House Rent Allowance:	1,05,000 per Month

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

By order of the Board  
Sd/-

**Sanjay Kumar Sanghi**  
Managing Director  
DIN: 00629693

**Date:** 10.08.2023

**Place:** Hyderabad

**NOTES:**

1. In view of the ongoing situation of COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide its General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 respectively, Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio -visual means (OAVM) without the physical presence of the Members. The deemed venue for the AGM will be the registered office of the Company.
2. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars as aforementioned, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. 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. The facility of participation at the AGM through VC/OAVM will be made available to a least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
6. In furtherance of the Green Initiative, Notice of the AGM along with the Annual Report 2022-23 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Further, the Notice of AGM has been uploaded on the website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com). The Notice can also be accessed from the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
7. The Explanatory Statement under Section 102(1) of the Companies Act, 2013 in respect of Item No. 3 & 4 is annexed herewith.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates,



nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:

- a) **For shares held in electronic form:** to their Depository Participants (DPs)
  - b) **For shares held in physical form:** to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters through its RTA for furnishing the required details. Members may also refer to link available on Company's website [www.narbadajewellery.com](http://www.narbadajewellery.com)
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <http://www.narbadajewellery.com/investors/downloads> and on the website of the Company's Registrar and Transfer Agents, CIL Securities Limited at It may be noted that any service request can be processed only after the folio is KYC Compliant.
  10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or CIL Securities Limited, for assistance in this regard.
  11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CIL Securities Limited, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
  12. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <http://www.narbadajewellery.com/investors/downloads> Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to CIL Securities Limited in case the shares are held in physical form.
  13. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September 2023 to 21st September 2023 (both days inclusive) for the purpose of the Annual General Meeting.
  14. Shri Ajay Suman Shrivastava, Practicing Company Secretary has been appointed as "Scrutinizer" for the Business mentioned to be conducted by e-voting.
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15. The Results of the e-voting will be declared by Director by 25th September, 2023, by 05:00 P.M. at the Registered Office of the Company in Hyderabad and shall be hosted on the website of the Company; [www.narbadajewellery.com](http://www.narbadajewellery.com) and on the website of the Stock Exchange; [www.bseindia.com](http://www.bseindia.com).
16. The details pertaining to Director(s) liable to retire by rotation and director(s) proposed to be appointed/ re-appointed as required to be provided pursuant to the Listing Agreement with the Stock Exchange are as follows:

**THE INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS UNDER:**

17. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
18. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
19. 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. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
20. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
21. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
22. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on

the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

23. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
24. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

#### **THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Monday, **18th September 2023 at 09:00 AM and ends on Wednesday, 20th September 2023 at 05:00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) **14th September 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on 20th September at 5.00 PM.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b></p>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/ KARVY/LINKINTIME/ BIGSHARE, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>5) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders holding securities in dematmode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting</li> </ol>

	<p>service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.**

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
<p>Individual Shareholders holding securities in Demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33</p>
<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Narbada Gems and Jewellery Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [comsec@nabadajewellery.com](mailto:comsec@nabadajewellery.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. **For Physical shareholders-** please provide necessary details like 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 **Company/ RTA email id.**



2. **For Demat shareholders -**, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

The following Statements sets out all material facts relating to the Special Businesses mentioned in the Notice:

**Item no. 3:**

Your Company proposes to enter into transactions with **Uday Jewellery Industries Limited (UJIL) and Sanghi Jewellers Private Limited (SJPL)**, which are under the same Promoter Group and majority of the Directors are common. The proposed transactions shall be at Arms’ Length basis and in the ordinary course of business.

Section 188 of the Companies Act, 2013 (“the Act”) and the applicable Rules framed there under read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) provide that Related Party Transactions will require prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Uday Jewellery Industries Limited (UJIL) and Sanghi Jewellers Private Limited (SJPL) come under the ambit of Related Party for the purpose of Related Party Transaction(s) in terms of provisions of the Act and Listing Regulations.

Hence, approval of the shareholders is being sought for the said Related Party Transactions proposed to be entered into by your Company with Uday Jewellery Industries Limited (UJIL) and Sanghi Jewellers Private Limited (SJPL) for a period of 12 months starting from 1st October, 2023 to 30th September, 2024.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with the related parties, as follows:

<b>Sl. No.</b>	<b>Name of related parties</b>	<b>Nature of relationship</b>	<b>Type of Contract/ Transaction</b>	<b>Transaction Limit</b>	<b>Duration</b>
1.	Sanghi Jewellers Private Limited	Company having common directors	Purchase/ sale of various manufactured products and availing Jobwork services, At prevailing market rates and on arm’s length basis.	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	01.10.2023 to 30.09.2024
2.	Uday Jewellery Industries Limited	Company having common directors	Sale/ purchase of various manufactured products, At prevailing market rates and on arm’s length basis	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	From 01.10.2023 to 30.09.2024

The Board of Directors of the Company and their respective relatives are concerned and interested in the resolution, up to the monetary value of transaction(s) proposed to be entered.

The Board of Directors recommends passing of the resolution as set out at item no. 3 of this Notice as an Ordinary Resolution.

**Item no. 4:**

In accordance with the provisions of section 188(1)(f) of the Companies Act, 2013, which governs the related party transactions, it is required for a company to obtain prior approval of the Board of Directors and Shareholders for the remuneration of the related party appointed at any office or place of profit.

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting, held on August 10, 2023, had approved remuneration of Mrs. Sakshi Sanghi as Head – Designs, of the Company, subject to the approval of the shareholders by way of an Ordinary Resolution.

**Remuneration:**

Remuneration per month payable in INR shall be adjusted as follows and subject to deduction of Tax at source as per prevailing Income Tax Rules:

Consolidated Salary of Rs. 3,50,000 per month bifurcated as under:

- |                          |                    |
|--------------------------|--------------------|
| a. Basic Salary:         | 1,75,000 per Month |
| b. Dearness Allowance:   | 70,000 per Month   |
| c. House Rent Allowance: | 1,05,000 per Month |

Mrs. Sakshi Sanghi is part of the promoter group of the Company as well. Further, she and her relatives are interested in this item of the Business to the extent of their shareholding.

Other than this none of the Directors or KMP or relatives of the Directors, are in any way concerned with or interested financially or otherwise in the resolution at item no. 4 of the accompanying notice.

Your directors recommend passing the foregoing resolution of this Notice as an Ordinary Resolution.

**ANNEXURE-A: ITEM NO. 2 OF THE NOTICE.**

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

<b>Name of the Director</b>	<b>Mrs. Bhavana Sanghi</b>
Designation	Director
DIN	02681438
Date of Birth	26/09/1974
Age	48 Years
Date of First Appointment on the Board	14/05/2014
Qualification and Experience	Ms. Bhavana Sanghi, aged about 48 years is graduate having rich and varied experience in the field of production processes in which the Company is engaged, as well as in strategy formulation and management. She has an experience of more than 20 years in the Jewellery industry. She has an expert knowledge and interest in precious and semi- precious gems and stones used in the manufacturing of jewellery. She has been providing valuable assistance to the design and development team with regard to the usage of various gemstones in an exclusive jewellery making.
Expertise in specific functional area	Operations & valuable and assistance to the design and development
Relationships between Directors inter se	Mrs. Bhavana Sanghi is the Wife of Mr. Ritesh Kumar Sanghi and hence are related to each other.
Name of the Listed entities in which the person also holds the directorship and the membership of the committees of the Board along with the Listed entities from which the person has resigned in the past three years*	Nil
Number of shares held in the Company	16,39,200 Equity Shares (7.75% of the paid-up equity share capital)
Skills and capabilities required for the role and the manner in which the Directors meet the requirements (Independent Directors)	NA

## **DIRECTORS' REPORT**

**To**  
**The Members,**  
**NARBADA GEMS AND JEWELLERY LIMITED**

It is our pleasure to present the **Thirty First Annual Report** along with the Audited Financial Statements of Narbada Gems and Jewellery Limited for the financial year ended 31st March, 2023.

### **1. FINANCIAL HIGHLIGHTS**

The highlights of the financial statements of the Company for the financial year ended **March 31, 2023**, are as under:

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Revenue from operations	9305.35	6062.87
Other Income	51.08	31.10
<b>Total Revenue</b>	<b>9356.42</b>	<b>6093.96</b>
Expenses	8887.0	5630.51
<b>Profit before Tax</b>	<b>469.42</b>	<b>463.46</b>
<b>Tax Expense</b>		
Current tax	115.40	117.67
Tax pertaining to previous years	0.98	-
Deferred tax	(2.13)	(0.08)
<b>Profit after Tax</b>	<b>355.17</b>	<b>345.87</b>
Earnings per Equity share	1.72	2.15

### **2. REVIEW OF OPERATIONS:**

The Company witnessed strong demand across its businesses achieving significant revenue uplift and ending the year on a strong note. Revenue from operations was recorded as Rs. 9,356.42 Lakhs against Rs. 6,093.96 Lakhs during previous year registering increase of 54.30% over the previous year. The Company reported a Net Profit of Rs. 355.17 Lakhs as against Rs. 345.87 Lakhs earned during previous year. The lower profitability is due to the increased prices of raw materials.

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

The Company's consistent strong growth with topline growing at CAGR of ~35% in the last 3 years accompanied by EBITDA CAGR at ~21%. With above peer-average net margin and ROE percentages showcase the strong finance fundamentals. The intrinsic value of the Company is higher than current market capitalization, indicating that there is natural scope of growth in the same.

The Company has launched an extension to its already ongoing exclusive jewellery collection, “Vilandi” – Flat Polki Diamond Jewellery Collection”. The Company is making good progress towards the strategic choices outlined earlier this year, specifically by introducing the development of the new product offering with stunning designs and several varieties in the category of heavy Royal Necklaces. The Company offers Flat Diamond Jewellery heavily studded with colorful Ruby, Emerald and other precious gemstone which makes the person feel royal due to its uniqueness and vibrant designs.

### **Marketing contours:**

The Company has been following a 4 pronged approach for marketing its niche products while establishing the strong presence in the are of expertise.

- **Communication:** It must be noted that due to cumulative advantages & reputation built over the years, a large part of the marketing aspects are a function of the ‘pull’ mechanism as opposed to focus on ways to ‘push’ the brand or products via different channels as is the case with standard marketing approaches. Direct Marketing techniques including personal, one-on-one & team presentations, demonstration of product catalogue, etc. are however employed by the sales & marketing team which help in maintaining & growing the strength of the working relationships & it is also crucial to do so in the context of the working ecosystem of the sector. Industry-specific presence via offline & online events such as trade magazines, award ceremonies, exhibitions and expo’s (domestic & international) provide ample coverage of the company in the required circles.
- **Customer Engagement & Retention:** NGJL’s customer acquisition policy is based on considerations including the credit worthiness of the potential client, their standing in the market and track record with other vendors and the prospects of a long and rewarding relationship with the said party. Once a customer is on-boarded NGJL’s marketing and sales team members maintain constant engagement with the said customer to keep a tab on their product requirements and to obtain feedback on design trends in the market based on offtake at their end so as to be in sync with the end-customer’s tastes and preferences. Due to this, the company is able to deliver outputs with an understanding that elevates the customer satisfaction to one of ‘customer delight’.
- **Target Audience Segmentation:** The Company's marketing team focuses on five major target audience sections (relevant customer examples from NGJL for each category are mentioned alongside respective sections):
  - National Chains – i.e. retail chains with a National retail footprint(Kalyan Jewellers ; Malabar Gold & Diamonds; GRT Jewellers)
  - Local Chains – i.e. retail chains with a strong local or regional presence with brand visibility that enjoy customer loyalty in their area of influence(P. Satyanarayan & Sons Jewellers; Chemmanur Jewellers; Sulthan Diamonds & Gold)
  - Family Jewellers – i.e. traditional small scale but highly reputed jewellers that cater to a small customer base but with high retention rates ( Mangatrai Pearls & Jewellery; Amarsons Pearls & Jewels; Vega Sri Gold & Diamonds; D.P. Jewellers; Mujtaba jewellers)
  - Distributors – i.e. agencies that supply to other retail chains/customers;
  - Exporters (Tilak Exports Imports; Ram Creations; Kalyan Jewellers)

- **The Direct Marketing approach** with each of the above segments is fine tuned to suit the particular priorities & preferences of the target audience focused on. For National Chains, a more formal approach is adopted with pre-arranged presentations & product demonstrations while for local or family jewellers, an informal approach is preferred often with physical stock being carried to the potential client to allow them the experiential “touch & feel” required to appraise a jewellery product.

Like other industries, the gems and jewellery industry is also facing many challenges related to labour. These are mainly shortage of skilled labour and migrant workers related issues. Manual methods of cutting, polishing, manufacturing and designing of gems and jewellery are steadily being substituted with high-end automation using machines and software. But India being a country where most of the consumer base highly believes in traditional methods of Jewellery making is a trustworthy one, it is still taking time to make them adopt to the change that automation in this industry is no less. Lack of educated labour is also a great challenge in this industry because, use of laser machines, operating computers and understanding modern techniques require systematic and practical training.

It is expected that the positive impact of polarization on the organized sector is likely to be visible operationally within a couple of years that would go a long way in improving the margin and turnover for the industry in general and the Company. With the availability of further funds, the growth is likely to be accelerated in the coming years. The gross profit margin will be maintained at around the current level even on elevated top line growth. The Company will work for better amortization of corporate office fixed expenses and no material impact will be felt on the areas of gold price fluctuations as part of inventory is hedged..

#### **4. CHANGE IN THE NATURE OF THE BUSINESS, IF ANY:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

#### **5. FUTURE PROSPECTS:**

The long journey of Narbada Gems into its niche space of crafted jewellery and where it stands today is a testament to the ability to withstand different kinds of challenges in the long-run and not only survive but thrive in their midst.

- The Management exhibits visionary thinking from one generation to the next, each in their own context. One of the more notable displays of the same being the decision & efforts taken to build a strong manufacturing presence. An endeavour thought of and executed by the 4th generation with the wisdom, guidance & platform provided by the earlier generations.
- The Company is in final stages of moving into the new manufacturing capacity at Basheerbagh, Hyderabad in a premises owned by the promoters for future growth of the Company to cater to growing demand. The new factory will be more technology oriented and shall be a state of art facility with well -planned layout and use of high end tech tools for the designing section. The unit specializes in Gold ornaments studded with flat diamond and color gemstones. The said facility of the Company will be well equipped with state-of-the-art machinery and technology by using Computer Aided Design (CAD and Computer aided model manufacturing (CAM), increasing the overall capacity and enhanced finishing of the products. The management is hopeful that production capacity will be increased to three times.

- The Company is redefining its Production processes and manufacturing facilities are benchmarked against the finest in the world and equipped with the latest, state-of-the-art technology and machinery leading to a dedicated, loyal and supportive clientele for whom the company is an integral partner and hence there is no incentive for them to deal with cumbersome nature of switching mechanism and related costs.
- Within a short time after moving to the new state of the art factory, the established systems and processes will lead to supply chain efficiency through leveraging of technology and scale of operations will set in. The long-standing presence and legacy of the group as a whole further mitigates threats from incumbents as well as new competitors. In the industry-specific context, it will be difficult to establish a similar level of acceptability amongst jewellery players in India.

**6. RESERVES:**

During the period under review, the Board of Directors has decided that Rs. 355.17 Lakhs to be carried forward to the reserves being profit for the year.

**7. DIVIDEND:**

In order to conserve resources for further expansion of the Company's business, your directors have opined to not recommend dividend for the year 2022-23.

**8. AMOUNT TRANSFERRED TO INVESTOR EDUCATION & PROTECTION FUND:**

The provisions of Section 125 of the Companies Act, 2013 are not applicable for the Company as there was no dividend declared and paid in the previous financial years.

**9. SHARE CAPITAL:**

The Authorized Share Capital of your Company stands at Rs. 21,50,00,000/- divided into 2,15,00,000 Equity shares of Rs. 10/- each.

The Paid-up Share Capital of the Company stands at Rs. 21,15,73,100 divided into 2,11,57,310 Equity shares of Rs. 10 each.

**a. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:**

The Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**b. Issue of Sweat Equity Shares:**

The Company has not issued any sweat equity share during the financial year in accordance with the provisions of Section 54 of Companies Act, 2013 read with Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

**c. Issue of Equity Shares with Differential Voting Rights:**

The Company has not issued any equity shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014.



**d. Issue of Employee Stock Option:**

The Company has not issued any employee stock option during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

**10. PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec.73, 74 & 76 of the Companies Act, 2013 read with the Rule 8(v) of Companies (Accounts) Rules 2014, during the financial year under review and hence there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company has filed with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

**11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given any loan or guarantee or security or made any investment during the financial year in terms of Section 186 of the Companies Act, 2013.

**12. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the year under review and at the year end, the Company did not have any its subsidiaries, joint ventures or associate Company.

**13. DEPOSITORY SYSTEM:**

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) 15.84% and Central Depository Services (I) Ltd. (CDSL). 80.16% of the total shareholding of the Company was held in dematerialized form as on 31st March 2023. Shares held in physical form was 4.00% of the issued Capital.

**14. ANNUAL RETURN:**

The extracts of the Annual Return pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in Draft Form No. MGT-7 will be available on the website of the Company [www.narbadajewellery.com](http://www.narbadajewellery.com), and the web link for the same is [https://dev.narbadajewellery.com/wp-content/uploads/2023/08/Narbada\\_Draft-MGT-7-31.03.2023.pdf](https://dev.narbadajewellery.com/wp-content/uploads/2023/08/Narbada_Draft-MGT-7-31.03.2023.pdf)

**15. APPOINTMENT / RE-APPOINTMENT / RESIGNATION / RETIREMENT OF DIRECTORS / CEO/ CFO AND KEY MANAGERIAL PERSONNEL:**

**a) Appointments during the year:**

During the Year NIL. But after the end of Financial Year and before Board Report dated, Ms. Harsha Gami has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 10.08.2023

**b) Resignations:**

During the Year NIL. But after Financial Year and before Board Report dated, Ms. Shivani Rastogi Company Secretary and Compliance Officer of the Company has resigned w.e.f 11.05.2023

The Board places on record its appreciation for the valuable contribution made by the Ms. Shivani Rastogi during her tenure.

**c) Information u/r 36(3) of SEBI (LODR), Regulations, 2015:**

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Director seeking appointment/re-appointments is given as Annexure A to the notice of the AGM forming part of this Annual Report.

**16. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

Your Board consists of Six Directors including three Independent (Non- Executive Directors). Shri Ramprasad Vempati (DIN: 01903161), Shri Siddharth Goel (DIN: 03022978) and Shri Sunil Garg (DIN: 08851283) were the Independent Directors during the Financial Year 2022-23.

In compliance with the requirements of Section 203 of the Companies Act, 2013, during the period, following are the Key Managerial Personnel of the Company.

1. Mr. Sanjay Kumar Sanghi - Managing Director
2. Mr. Bajranglal Agarwal - Chief Financial officer
3. Ms. Harsha Gami# - Company Secretary and Compliance Officer  
*#Appointed w.e.f 10.08.2023.*

**17. DECLARATION BY INDEPENDENT DIRECTORS:**

In accordance with Sub-section (7) of Section 149 of the Companies Act, 2013 (hereinafter called as "The Act"), the Independent Directors on your Board have given a Declaration that they meet the criteria of Independence as provided in sub section (6) of Section 149 of the Act. There has been no change in terms and conditions of appointment of Independent Directors, the Policy relating to their appointment is available on the website of the Company [www.narbadajewellery.com](http://www.narbadajewellery.com).

During the year under review, the separate meeting of Independent Directors of the Company without the presence of Non-independent directors and members of the management and all the Independent directors were present in the meeting held on 10th February, 2023 in Compliance with the Regulation 25 of SEBI (LODR) Regulations, 2015, in which the following matters were considered:

- I. Review of the performance of all the non-independent directors and the Board as a whole;
- II. Review of the performance of the Chairman of the Company, taking into accounts the views of Executive Directors and Non-Executive Directors; and

III. Assessment of the quality, quantity and timeliness of flow of information among the Company, management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

**18. POLICY ON DIRECTOR’S APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015.

In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management.

**19. MANAGERIAL REMUNERATION**

The Company’s policy on Director’s appointment and remuneration in accordance with Section 178 (3) of the Companies Act, 2013 and the same is available on the website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com). No remuneration is being paid to the Managing Director or any other Director of the Company. The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 and Companies (Particulars of Employees) Rules 1975, in respect of Directors and KMP’s of the Company are furnished hereunder:

**a. All pecuniary relationship or transactions, of the non-executive directors of the Company:**

The Non-executive Directors does not have any pecuniary relationship or transactions of the Company.

**b. Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2022-23 are as follows:**

Name	Designation	Remuneration (in Rs.)		Increase %
		2022-23	2021-22	
Sanjay Kumar Sanghi	Managing Director	-	-	-
Ritesh Kumar Sanghi	Director	-	-	-
Bajranglal Agarwal	Chief Financial Officer	9,00,000	7,21,645	25%
CS. Shivani Rastogi	Company Secretary & Compliance Officer	5,92,058	2,88,124*	25%

\*For the part of financial year

- c. Details of a fixed component and performance-linked incentives, along with the performance criteria: The Company does not have any performance-linked incentives for the Directors and CFO the appointments are made for a fixed period of time on the terms and conditions in the respective resolution passed by the Board/Members in the Meeting
- d. Number of permanent employees on the rolls of the Company as on 31st March, 2023 are 110.
- e. Stock option details: Nil

**20. PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 197 of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of disclosures in the report w.r.t. employees of the Company.

During the year under report, none of the employees was in receipt of remuneration exceeding the limit prescribed under Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

**21. BOARD COMMITTEES:**

The Board has constituted three committees at present:

- **Audit Committee**
- **Nomination and Remuneration Committee**
- **Stakeholders Relationship Committee**

The committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. The details of constitution, terms of appointment and meetings of the committees is given in the Corporate Governance report as Annexure V.

**22. DIRECTORS' RESPONSIBILITY STATEMENT:**

On the basis of compliance certificates received from the executives of the Company and subject to the disclosures in the annual accounts and also on the basis of the discussions with the Statutory Auditors of the Company from time to time, your Directors make the following statements, pursuant to Section 134 (3) (c) of the Companies Act, 2013 with respect to Director's Responsibility Statement.

- a) that in the preparation of the Annual Accounts for the year ended 31st March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) That such Accounting Policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting Fraud and other irregularities;

- d) that the Annual Financial Statements have been prepared on a going concern basis;
- e) that proper Internal Financial Controls were in place and that the financial controls were adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all Applicable Laws were in place and were adequate and operating effectively.

**23. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

**24. BOARD EVALUATION:**

The Board of your Company on the recommendation of the Nomination and Remuneration Committee had laid down the criteria for evaluation of the performance of the Board, its committees, and individual Directors as per the Listing Regulations. Accordingly, the Annual performance evaluation process was carried out based on evaluation forms, which include a rating mechanism. Independent Directors also reviewed the performance of the Board as a whole, Non-Independent Directors, and the Chairman.

The criteria for performance evaluation of the Board and its Committees amongst others include their structure and composition, processes, information and functioning, terms of reference of the Committees, etc. The criteria for performance evaluation of individual Directors including Executive and Independent Directors amongst others include their attendance and contribution at the meetings, the devotion of time and efforts to understand the Company, its business, their duties and responsibilities, and adherence to the code of conduct, etc. The said policy is available on the website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com) The Independent Directors met separately on 10th February 2023 without the presence of Non-Independent Directors to discuss the performance of the Non-Independent Directors and the Board as a whole.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

**25. CODE OF CONDUCT:**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct. The Code is applicable to the members of the Board, the executive officers, the members of the management one level below the executive directors, including all functional heads of the Company. The Code is available on the website of the Company [www.narbadajewellery.com](http://www.narbadajewellery.com). All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2023.

**26. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

During the year, 9 (Nine) Board Meetings were convened and held. The dates on which the said meetings were held are: 23.04.2022, 23.05.2022, 24.05.2022, 28.07.2022, 11.08.2022, 18.08.2022, 29.08.2022, 12.11.2022 and 10.02.2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**27. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. The details of the familiarization programme of the Independent Directors are available on the website of the Company [www.narbadajewellery.com](http://www.narbadajewellery.com).

**28. AUDITORS:**

**a) Statutory Auditors:**

M/s Anant Rao & Malik, Chartered Accountants, (Firm Reg. No. 006266S, M. No. 022644), Hyderabad were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting of the Company, to hold office till the conclusion of the 33rd Annual General Meeting to be held in the calendar year 2025 for issuing the Audit report on the financial position of the Company. The Statutory Auditors of the Company had issued their Report for the financial year ended 31st March, 2023 which is with unmodified opinion (unqualified).

There is no adverse remark(s)/ qualification(s)/ reservation(s) of the Statutory Auditors in their report for the financial year ended 31st March, 2023. Hence, no explanation or comments from the Board under Section 134(3) (f) of the Companies Act, 2013 is required.

**b) Secretarial Auditor:**

In terms of Section 204 of the Companies Act, 2013 and rules made there under, CS. Ajay Suman Shrivastava, Practicing Company Secretary, Hyderabad (ICSI Membership No. 3489; CP No.: 3479) has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as "**Annexure I**" to this report.

The Annual Secretarial Compliance report as per Regulation 24A of SEBI (LODR) Regulation, 2015 as amended, is enclosed as "**Annexure II**" to this report.

**c) Internal Auditors:**

The Company has appointed M/s Krishna and Suresh, Chartered Accountant, Hyderabad (Firm Registration No- 001461S) as its Internal Auditors. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas.

**29. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

In line with the requirements of the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website [www.narbadajewellery.com](http://www.narbadajewellery.com)

The related party transactions during the year are in accordance with the approval of shareholders in Annual General Meeting held on 26th September, 2022.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of Companies Act, 2013 is disclosed in Form AOC-2 as "**Annexure-III**" to this report.

**30. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company is committed to maintain the high standards of corporate governance and adheres to the requirements set out by the Securities and Exchange Board of India. The Report on Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report. The certificate from the Practicing Company Secretary confirming compliance of conditions of Corporate Governance as stipulated under Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as **Annexure-IV A**.

**31. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report, pursuant to the SEBI (LODR) Regulation provides an overview of the affairs of the Company, its legal status and autonomy, business environment, mission & objectives, sectoral and segment-wise operational performance, strengths, opportunities, constraints, strategy and risks and concerns, as well as human resource and internal control systems is appended as **Annexure- V** for information of the Members.

**32. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has zero tolerance towards sexual harassment at workplace. It has a well - defined policy in compliance with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. During the year 2022-2023, there were no complaints received by the Committee.

**33. INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):**

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

**34. DIFFERENCE BETWEEN VALUATION AMOUNT ON ONE TIME SETTLEMENT AND VALUATION WHILE AVAILING LOAN FROM BANKS AND FINANCIAL INSTITUTIONS, IF ANY:**

During the year under review, there has been no one-time settlement of loans taken from banks and financial Institutions.

**35. CREDIT RATING:**

The Company has been awarded CRISIL BB+/Stable credit rating for Cash Credit. The rating reflects CRISIL'S expectations that the company's operational and financial profile will continue to improve backed by its expanding order book position and scale, and it will maintain healthy profit margins.

**Details of Bank Lenders & Facilities:**

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	14	Kotak Mahindra Bank Limited	CRISIL BB+/Stable

**36. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate internal control systems and procedures designed to effectively control the operations of its various functions. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets.

Based on the deliberations with Internal Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies & procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the internal control system followed by the Company.

**37. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

A table containing the particulars in accordance with the provisions of Section 197 (12) of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure VI (a)** to this Report.

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed to this Annual report as **Annexure VI (b)**.

During the year, NONE of the employees are drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act,2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 other than those mentioned in **Annexure VI (b)**.



**38. RATIO OF REMUNERATION TO EACH DIRECTOR:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Managing Director (Mr. Sanjay Kumar Sangi), Managing Director of the Company to the median remuneration of the employees is Not Applicable since Managing Director is not paid any remuneration for the Financial Year 2022-23.

**39. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:**

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

During the financial year ended 31st March, 2023 under review, there were no cases pertaining to Whistle Blower Policy. The said policy of the Company can be accessed at [www.narbadajewellery.com](http://www.narbadajewellery.com).

**40. MD & CFO CERTIFICATION:**

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the MD/CFO certification is attached with the Annual report as Annexure VII.

**41. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board and the Compliance Officer are responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code. The same has been displayed at the company's website at [www.narbadajewellery.com](http://www.narbadajewellery.com).

**42. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The Company has a well-defined process in place to ensure appropriate identification and treatment of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification of risk is done at strategic, business, operational and process levels. While the mitigation plan and actions for risks belonging to strategic, business and key critical operational risks are driven by senior leadership, for rest of the risks, operating managers drives the conception and subsequent augmenting of mitigation plans.

All risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

**43. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

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

**A. Conservation of Energy**

The disclosure of particulars with respect to conservation of energy pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable as our business is not specified in the Schedule. However, the Company makes its best efforts to conserve energy in a more efficient and effective manner.

**B. Technology Absorption**

The Company has not carried out any specific research and development activities. Accordingly, the information related to technology absorption, adaptation and innovation is reported to be NIL.

**C. Foreign Exchange Earnings and Outgo**

During the year under review, the Actual Foreign Exchange Earnings: Rs. 4,03,15,298  
Foreign Exchange Outgo: Nil.

**45. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

In terms of Section 135 and Schedule- VII of the Companies Act, 2013, the provisions of Corporate Social Responsibility (CSR) are Not Applicable to the Company.

**46. SECRETARIAL STANDARDS:**

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

**47. ENVIRONMENT, SOCIAL AND GOVERNANCE INITIATIVES:**

The Company has taken pioneering steps in the line of business to undertake its manufacturing activity in a premises which is a IGBC certified GREEN Building and the installations have been very carefully structured for minimum use of polluting materials and electrical power. After few months, Company will take steps to fulfill its power requirements from the roof top solar power units also.

The Human capital is of prime importance in the jewellery business and the Company has been marching ahead with various initiative for its PEOPLE. The artisans are supported for their children education, the social aspect of their lives are well taken care.

Being a BSE listed Company, effective and orderly governance comes naturally to the Company which is spearheaded by the Board of Directors and the Standards of Practices to be followed for Board and Governance are well defined and are implemented with a fair of panchant and diligence.

**48. HUMAN RESOURCE DEVELOPMENT:**

Your Company always believes in keeping the environment pollution free and is fully committed to its social responsibility. The Company has been taking utmost care in complying with all pollution control measures from time to time strictly as per the directions of the Government.

We would like to place on record our appreciation for the efforts made by the management and the keen interest shown by the Employees of your Company in this regard.

**49. COST RECORDS:**

Your Company is not required to maintain cost records as specified under Section 148 of the Act.

**50. LISTING:**

The shares of your Company are listed at Bombay Stock Exchange (BSE Ltd.). The Company has duly complied with all the requirements of concerned Stock Exchange in accordance with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

**51. ACKNOWLEDGEMENT:**

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, team spirit, cooperation and dedication during the year. Your directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

Your directors place on record their sincere thanks to bankers, suppliers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review.

For and on behalf of Board of Directors

Sd/-  
**(Sanjay Kumar Sanghi)**  
Managing Director  
DIN: 00629693

Sd/-  
**(Ritesh Kumar Sanghi)**  
Director  
DIN: 00628033

Date: 10.08.2023  
Place: Hyderabad

**ANNEXURE INDEX**

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I	Secretarial Audit Report- Form MR-3
II	Annual Secretarial Compliance report
III	Particulars of Contract with related parties- Form AOC-2
IV	Corporate Governance Report
IVA	Certificate on Compliance of Corporate Governance
V	Management Discussion Analysis Report
VI	Statement Showing the Names of Top Ten Employees
VII	MD and CFO Compliance Certificate
VIII	Certificate of Non-Disqualification of Directors

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,**  
**Narbada Gems and Jewellery Limited**  
3-6-291/4/B, 2nd Floor,  
Hyderguda,  
Hyderabad, TG -500029 IN

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Narbada Gems and Jewellery Limited** (L01222TG1992PLC014173) (hereinafter called "the company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. This Report is to be read with the letter of even date which is annexed to this as 'Annexure-1' and forms an integral part of this report.

Based on my verification of the Companies 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, physically and remotely, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 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;
  - iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (No provisions were attracted during the period under review)
  - 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; Complied with yearly and event-based disclosures, wherever applicable.

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended including the SDD compliance; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., <https://www.narbadajewellery.com>
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended; To the extent applicable for the conversion and listing of warrants issued on 13.01.2021. Final tranche converted on 24.05.2022. Listing approved on 23.06.2022.
  - (d) The Securities and Exchange Board of India (Share Based Employee benefits and Sweat Equity) Regulations, 2021; Not Applicable to the Company during the period under review.
  - (e) Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 -; Not Applicable to the Company during the period under review.
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company's shares and dealing with its members;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable to the Company during the Audit Period and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2021; Not Applicable to the Company during the Audit Period.
  - (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021; Not applicable to the Company for the period under review.
  - (j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.
2. Compliance of the other Laws applicable specifically to the Company as reported by the Company and test checked.
- i. Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - ii. Professional Tax Act, 1975 and Rules
  - iii. Minimum Wages Act, 1948
  - iv. Payment of Bonus Act, 1965
  - v. Maternity Benefit Act, 1961
  - vi. Factories Act, 1948
  - vii. The Workmen's Compensation Act, 1923
  - viii. The Payment of Wages Act, 1936
  - ix. Standard Weights & Measures Act
  - x. Bureau of Indian Standard (BIS) (Hallmarking)
3. I have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 as amended.

4. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:.

Sr. No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Deviations	Observations /Remarks
1	NIL	NA	NIL

5. The Company has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2022.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Regulation 108(2) of SEBI-ICDR-Company is required to make Listing Application within 20 days from the date of allotment of further shares.	Delay in making Application for Listing. BSE levied penalty of Rs. 20,000/- which was paid on 07.08.2021 and Listing Approval was received.	BSE approved the Listing/ Trading of shares.	compliance has been done

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

Out of 91,00,000 Warrants issued on 13.01.2021, on 30.03.2021 as first tranche, 31,23,000 Equity Shares were allotted to promoters/Promoter Group and Non-promoters. Further, on 23.11.2021 as second tranche, 24,94,000 Equity Shares were allotted to promoters/Promoter group and remaining 34,83,000 Equity Shares issued on 24.05.2022 on conversion of Equity Warrants were duly listed and trading approval granted by BSE on 23.06.2022. Hence, all warrants issued on 13.01.2021 have been converted and duly listed for trading at BSE Ltd.

Place: Hyderabad

Date: 09.08.2023

Sd/-

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489

C.P. No.: 3479

**UDIN: F003489E000769925**



**Annexure - I**

To,  
The Members,  
Narbada Gems and Jewellery Limited  
3-6-291/4/B, 2nd Floor,  
Hyderguda,  
Hyderabad, TG -500029 IN

This letter is to be read with the report even date and forms an integral part of this report for the year ended on 31.03.2023.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit, remote as well as physical, as possible.
2. I have followed the basic 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My examination was limited to the verification of procedures and transparency, 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.

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489

C P No.: 3479

**UDIN: F003489E000769925**

Place: Hyderabad  
Date: 09.08.2023

**SECRETARIAL COMPLIANCE REPORT OF  
NARBADA GEMS AND JEWELLERY LIMITED  
FOR THE YEAR ENDED 31ST MARCH, 2023**

[Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 as amended.]

To,  
The Members  
**NARBADA GEMS AND JEWELLERY LIMITED**  
3-6-291/4/B, 2nd Floor, Hyderguda,  
Hyderabad, Telangana-500029.

I have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Narbada Gems & Jewellery Limited** (“the listed entity”), (having BSE Scrip Code – 519455 and CIN: L01222TG1992PLC014173), having registered office at 3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad, Telangana-500029. The Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity’s books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I Ajay Suman Shrivastava, have examined:

- a) all the documents and records made available to us and explanations provided by **Narbada Gems & Jewellery Limited (“the listed entity”)**
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2023 (“Review Period”)** in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended to the extent applicable during the period under review;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not applicable to the Company during the period under review);**
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the period under review);**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the period under review);**
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the period under review);
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable during the year under review;
- i) other regulations and circulars/ guidelines issued thereunder; (as applicable)

and based on the above examination, I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

- I. **(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:**

Sr. no.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	lation/ Circular No.	Deviations	Action taken by	Type of Action	Details of Violations	Fine Amount	Observations Remark of the Practicing Company Secretary	Management Response	Remarks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. no.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	lation/Circular No.	Deviations	Action taken by	Type of Action	Details of Violations	Fine Amount	Observations Remark of the Practicing Company Secretary	Management Response	Remarks
NIL										

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. no.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	Not Applicable	NA, since there is no such instance of change in Auditor due to resignation.
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	NA, since there is no such instance of change in Auditor due to resignation.
	iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	NA

<p>2.</p>	<p><b>Other conditions relating to resignation of statutory auditor</b></p> <p>i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:</p> <p>a. In Case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.</p> <p>b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information/ explanation sought and not provided by the management, as applicable.</p> <p>c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.</p> <p>ii. Disclaimer in case of non-receipt of information:</p> <p>The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.</p>	<p>NIL</p> <p>NIL</p> <p>NA</p> <p>NA</p> <p>NA</p>	<p>NIL</p> <p>NIL</p> <p>No such instance</p> <p>No such instance</p> <p>No such instance</p>
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3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/ 114/2019 dated 18th October, 2019.	NA	No such instance
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**III. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-**

Sr. no.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	Yes	NIL
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/ guidelines issued by SEBI</li> </ul>	Yes  Yes	NIL  NIL
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>• The listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website</li> </ul>	Yes  Yes  Yes	NIL  NIL  NIL
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> (a) Identification of material subsidiary companies	NA	No, such subsidiary exists

	(b) Disclosure requirement of material as well as other subsidiaries	NA	
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	NIL
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes  NA	NIL  No RPT were rejected at any time since all have Shareholders approval.
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	NIL	No such instances of non-compliance or delay resulting in penalty have been observed for compliances during the year.

<b>12.</b>	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NIL	No such instances of non-compliance or delay resulting in penalty have been observed for compliances during the year.
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**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Hyderabad

Date: 25.05.2023

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489

C.P. No.: 3479

UDIN: F003489E000377161



**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

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

1. Details of contracts or arrangements or transactions not at Arm's length basis: **Not Applicable as all the Related Party Transactions have been entered into at an arm's length basis.**
2. Details of material contracts or arrangement or transactions at arm's length basis:

<b>Sl.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	<ol style="list-style-type: none"> <li>i. <b>Sanghi Jewellers Private Limited</b> Company having common directors</li> <li>ii. <b>Uday Jewellery Industries Limited</b> Company having common directors</li> <li>iii. <b>Hanumanthrai Sanghi</b> Relative of Directors</li> <li>iv. <b>Sarala Sanghi</b> Relative of Directors</li> <li>v. <b>Sanjay Kumar Sanghi</b> Managing Director</li> <li>vi. <b>Ritesh Kumar Sanghi</b> Director</li> <li>vii. <b>Bhavna Sanghi</b> Director</li> <li>viii. <b>Pritha Sanghi</b> Relative of Directors</li> <li>ix. <b>Uday Sanghi</b> Relative of Directors</li> <li>x. <b>Tejas Sanghi</b> Relative of Directors.</li> </ol>
b)	Nature of contracts/ arrangements/transaction	<ol style="list-style-type: none"> <li>i. Purchases and sales of manufactured products, job work services.</li> <li>ii. Purchase and sale of manufactured products.</li> </ol>
c)	Duration of the contracts/ arrangements/transaction	<ol style="list-style-type: none"> <li>i. Regular</li> <li>ii. Yearly</li> </ol>
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	During the year 2022-23 the total value of transactions with the related parties are as follows: <ol style="list-style-type: none"> <li>I. <b>Sanghi Jewellers Private Limited</b> Purchases: Rs. 97,831,216/- only</li> <li>II. <b>Uday Jewellery Industries Limited</b> Purchases: Rs. 43,41,748/- only</li> <li>III. <b>Ritesh Kumar Sanghi</b> Payment of Rent Rs.6,60,000/-</li> </ol>

**NARBADA GEMS AND JEWELLERY LIMITED**

		<b>IV. Sanjay Kumar Sanghi</b> Payment of Rent Rs. 6,60,000/- <b>V. Pritha Sanghi</b> Payment of Rent Rs. 6,60,000/- <b>VI. Bhavna Sanghi</b> Payment of Rent Rs. 6,60,000/- <b>VII. Uday Sanghi</b> Payment of Rent Rs. 6,60,000/- <b>VIII. Tejas Sanghi</b> Payment of Rent Rs. 6,60,000/-  <b>Total Payment of Rent- Rs. 39,60,000/-</b>  <b>IX. Remuneration paid to Relative of KMP:</b> Mr. Tejas Sanghi Rs. 42,00,000/-
e)	Date of approval by the Board	Approval of Board is taken as and when required. Transactions with Related Companies are as per Shareholders approval.
f)	Amount paid as advances, if any	--

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

Place: Hyderabad  
Date: 10-08-2023

Sd/-  
**(Sanjay Kumar Sanghi)**  
Managing Director  
DIN: 00629693

Sd/-  
**(Ritesh Kumar Sanghi)**  
Director  
DIN: 00628033

## **CORPORATE GOVERNANCE REPORT**

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("the Amendment Regulations"), and any other amendments the report containing the details of Corporate Governance systems and processes at Narbada Gems and Jewellery Limited for the financial year ended March 31, 2023 as follows:

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

### **I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy on Corporate Governance is backed by Principles of Concern, Commitment, Ethics, Excellence and Learning in all its acts and relationships with Stakeholders, Clients, Associates and Community at large. This philosophy revolves around fair and transparent governance and disclosure practices in line with the principles of Good Corporate Governance. The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### **II. BOARD OF DIRECTORS:**

The Board of Directors of the Company plays a pivotal role in ensuring that good corporate governance practices are followed within the Company. The Board of Directors oversees the functioning of the Company and that of its management; and ensures that every decision taken is in the best interest of the stakeholders of the Company.

The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/ or commercial transactions between them and the company which could have potential conflict of interest with the company at large. The Company has Code of Conduct for Directors and Senior Management personnel. The code is available on the official website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com). All Directors and Senior Management Personnel have affirmed compliance with the code of conduct approved and adopted by the Board of Directors.

#### **1. Composition:**

The Composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 read with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company has an optimum combination of Executive, Non- Executive and Independent Directors. The Board of Directors of your Company comprises of Six Directors as on 31st March, 2023.

The composition of the Board and category of each Director along with their Shareholding in the Company as at 31st March, 2023, is as follows:

Name	Designation	Date of Appointment at current designation	Category	No. of Equity shares held in the Company
Mr. Sanjay Kumar Sanghi	Managing Director	18.08.2022	Promoter-Executive	24,81,434
Mr. Ritesh Kumar Sanghi	Director	26.09.2022	Promoter-Non-Executive	25,08,499
Ms. Bhavna Sanghi	Director	29.09.2021	Promoter-Non-Executive	16,39,200
Mr. Ramprasad Vempati	Director	28.09.2019	Independent-Non-Executive	-
Mr. Siddharth Goel	Director	28.09.2019	Independent-Non-Executive	-
Mr. Sunil Garg	Director	28.09.2020	Independent-Non-Executive	-

- Mr. Sanjay Kumar Sanghi (Managing Director) and Mr. Ritesh Kumar Sanghi (Director) are Siblings.
- Mr. Ritesh Kumar Sanghi is the Spouse of Mrs. Bhavna Sanghi.
- Except the above, none of the other Directors are related to any other director on the Board.

## 2. Directorships and Memberships of the Directors in other Companies/Committees:

In accordance with the provisions of Section 165(1) of the Companies Act, 2013 read with Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors are compliant with said regulations with respect to the number of Directorship in other Companies and chairmanship/ membership on various Committees.

The details of the directorship of each Director on the Board of various other Companies along with their Chairmanship and Membership on the Board Committees are as follows:

Name of Director	No. of Directorships	Member/Chairperson of Committee*	
		Member	Chairperson
Mr. Sanjay Kumar Sanghi	4	-	-
Mr. Ritesh Kumar Sanghi	5	-	-
Mr. Ram Prasad Vempati	2	4	2
Mr. Siddharth Goel	2	1	1
Ms. Bhavna Sanghi	2	-	-
Mr. Sunil Garg	1	4	-

\*Committees considered to reckon the limit are Audit Committee and Stakeholders Relationship Committee in public listed Companies.

## 3. Board Meetings:

In accordance with Section 173(1) of the Companies Act, 2013 read with Regulation 17(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors meets at least four times in an year, with a maximum time gap not exceeding one hundred and twenty days between any two meetings.

During the Financial Year ended 31st March, 2023, 9 (Nine) Board Meetings were held on 23.04.2022, 23.05.2022, 24.05.2022, 28.07.2022, 11.08.2022, 18.08.2022, 29.08.2022, 12.11.2022 and 10.02.2023. The attendance of each director at the Board Meetings and last Annual General Meeting is as follows.

Sl. No.	Name of Director	Board Meeting		AGM held on 26th September, 2022
		Held	Attended	
01	Mr. Ritesh Kumar Sanghi	9	9	Present
02	Mr. Sanjay Kumar Sanghi	9	9	Present
03	Mrs. Bhavna Sanghi	9	9	Not Present
04	Mr. Ram Prasad Vempati	9	9	Present
05	Mr. Siddharth Goel	9	9	Not Present
06	Mr. Sunil Garg	9	9	Not Present

#### **d) Independent Directors**

The Independent Directors on Board of the Company are non-executive directors and follow the criteria as defined under Regulation 16 of the SEBI Listing Regulations and Section 149 (6) of the Companies Act, 2013. The Independent Directors meeting held on 10th February, 2023 in accordance with Regulation 25(3) of the SEBI Listing Regulations regarding the performance of Non-Independent Directors and the Board as a whole;

- The performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The familiarization programme for the new and continuing Independent Directors of the Company ensures that they understand the Company's business in depth and that would facilitate their active participation in managing the Company.

### **III. COMMITTEES OF THE BOARD:**

The Board of the Company has three committees- Audit Committee, Stakeholders' Relationship Committee and the Nomination and Remuneration Committee. The Committees play a pivotal role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Committees meet at regular intervals and the minutes of the meetings of all Committees are placed before the Board for review.

#### **1. Audit Committee**

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. There are three members in the Audit Committee all of them being Independent Directors. The Committee oversees the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible. It also reviews the annual financial statements, auditor's report there on, quarterly financial results and monitors the auditor's

independence and performance and effectiveness of audit process and other roles in accordance with Part C of Schedule II of the SEBI Listing Regulations.

During the Financial Year 2022-23, the Committee met Five (5) times on 23.05.2022, 11.08.2022, 18.08.2022, 12.11.2022 and 10.02.2023 in accordance with Regulation 18(2) of SEBI Listing Regulations. The composition of the Audit Committee and details of meetings attended by its members are as under:

S No.	Name of the Director	Category	Number of meetings during the FY 2022-23	
			Held	Attended
1.	Mr. Ramprasad Vempati	Chairman, Independent Non-Executive	5	5
2.	Mr. Siddharth Goel	Member, Independent, Non-Executive	5	5
3..	Mr. Sunil Garg	Member, Independent, Non-Executive	5	5

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations. There are three members in the Nomination and Remuneration Committee all of them being Independent Directors. The roles and responsibilities of the Committee and the terms of reference are in accordance with the requirements as specified in accordance with Para A of Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the Financial Year 2022-23 the Committee met Three (3) times 21.05.2022, 18.08.2022 and 12.11.2022 in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the Nomination and Remuneration Committee and details of meetings attended by its members are as under:

S No.	Name of the Director	Category	Number of meetings during the FY 2022-23	
			Held	Attended
1.	Mr. Ramprasad Vempati	Chairman, Independent Non-Executive	3	3
2.	Mr. Siddharth Goel	Member, Independent, Non-Executive	3	3
3..	Mr. Sunil Garg	Member, Independent, Non-Executive	3	3

## 3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations. There are three members in the Stakeholders' Relationship Committee, all of them

being Independent Directors. The roles and responsibilities of the Committee are in accordance with the requirements as specified in accordance with Para B of Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the Financial Year 2022-23, the committee met Five (5) times on 12.09.2022, 10.10.2022, 20.10.2022, 25.01.2023 and 10.03.2023 in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the committee and details of meetings attended by its members are as under;

S No.	Name of the Director	Category	Number of meetings during the FY 2022-23	
			Held	Attended
1.	Mr. Siddharth Goel	Chairman, Independent Non-Executive	5	5
2.	Mr. Ramprasad Vempati	Member, Independent Non-Executive	5	5
3.	Mr. Sunil Garg	Member, Independent Non-Executive	5	5

#### IV. ANNUAL GENERAL MEETINGS:

##### A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL/ORDINARY RESOLUTIONS THERE AT AS UNDER

Financial Year	Venue	Date / Time
2021-22	Video Conferencing (VC)/ Other Audio - Visual means (OAVM)	26th September, 2022 at 3.00 P.M.
2020-21	Video Conferencing (VC)/ Other Audio - Visual means (OAVM)	29th September, 2021 at 3.00 P.M.
2019-20	Video Conferencing (VC)/ Other Audio - Visual means (OAVM)	11th December, 2020 at 12.00 P.M.

##### B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the financial year 2022-23.

##### V. MEANS OF COMMUNICATION:

The Company recognizes communication as a key element of the overall, Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies. In accordance with Regulation 46 of the SEBI Listing Regulations, the Company maintains a functional website containing the basic information about the listed entity at - [www.narbadajewellery.com](http://www.narbadajewellery.com). The quarterly, half yearly and annual financial results of the Company are made available on the website of the Company at <http://www.narbadajewellery.com/investors/performance> and same is also published in the newspapers in one English National daily newspaper viz; "Business Standard" or "Financial Express" and one Regional Language Newspaper "Nava Telangana" or "Namasthe Telangana".

The website also displays vital information relating to the Company and its performance. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through BSE Listing Centre, for dissemination on their website.

**VI. GENERAL SHAREHOLDER INFORMATION:**

**1. Annual General Meeting for the Financial Year 2022-23**

Date	21st September, 2023
Time	03.30 P.M.
Venue	Video/ OAVM at 3-6-291/4/A, 1st Floor, Hyderguda, Hyderabad – 500029, Telangana
Book Closure Date	14th September, 2023 to 21st September, 2023
Dividend Payment date	N.A.

**2. Financial Year**

The Company follows April- March as the Financial Year. The Board meeting calendar of the Financial Year ended 31st March, 2024 for approval of quarterly financial results is as follows:

<b>Financial Year</b>	<b>2023-24</b>
First Quarterly Results	On or before 14.08.2023
Second Quarterly Results	On or before 14.11.2023
Third Quarterly Results	On or before 14.02.2024
Fourth Quarterly Results	On or before 30.05.2024
Annual General Meeting for year ending March 31, 2024	On or before 30.09.2024

**3. DIVIDEND PAYMENT DATE:**

The Company has not paid any dividend during the year.

**4. LISTING DETAILS:**

<b>Name and Address of Stock Exchange</b>	<b>Stock Code</b>
BSE Limited	519455
ISIN of the Company	INE540C01021

The Annual Listing fee for the Financial Year 2022-23 has been duly paid to the BSE Ltd.

**4. Market Price Data**

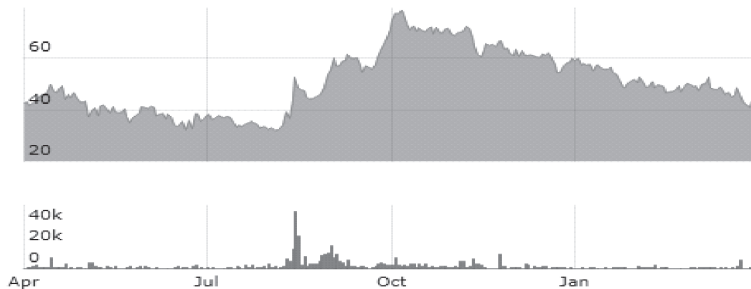
The Equity shares of the Company are listed at BSE Limited. The market price data of the shares of the Company traded during each month for the financial year ended 31st March, 2023 at Bombay Stock Exchange (BSE Limited) is as under:



## NARBADA GEMS AND JEWELLERY LIMITED

Month	Open Price (in Rs.)	High Price (in Rs.)	Low Price (in Rs.)	Close Price (in Rs.)	No. of Shares Traded
Apr-22	40.70	55.95	40.70	44.70	33,842
May-22	41.70	47.25	32.70	39.00	30,099
Jun-22	39.00	47.00	29.85	36.50	20,841
Jul-22	36.50	42.25	31.70	33.50	21,503
Aug-22	32.25	52.95	31.00	48.70	1,91,377
Sep-22	52.95	71.25	51.05	71.25	1,18,420
Oct-22	73.40	79.45	66.50	71.25	57,866
Nov-22	71.95	73.50	57.40	63.95	64,144
Dec-22	64.90	66.05	52.00	60.00	26,035
Jan-23	57.00	60.90	47.10	51.85	10,308
Feb-23	54.35	54.40	43.25	48.95	17,865
Mar-23	49.95	53.75	38.80	43.15	21,094

### ON BSE : Share Price movement during 2022-23



### 6. PERFORMANCE OF THE COMPANY COMPARED TO BSE INDEX DURING THE FINANCIAL YEAR 2022-23



Narbada Gems and Jewellery Limited  
BSE Sensex

**7. REGISTRAR AND SHARE TRANSFER AGENTS:**

During the year, there was no change in the Registrar and Share Transfer Agent of the Company.

**CIL Securities Limited**

208, Raghava Ratna Towers, Chirag Ali Lane, Abids Hyderabad 500001

Phone:040-23202465; Fax:010-23203028

Email: rta@cilsecurities.com Website: www.cilsecurities.com

**8. SHARE TRANSFER SYSTEM**

The share transfers which are received in physical form are processed by the Registrar and Transfer Agents and the share certificates are returned after affecting the transfer, subject to the document being valid and complete in all respects.

**9. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2023:**

Category ( No. of shares)	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	5282	92.09	818344	3.87
501-1000	272	4.74	180949	0.86
1001-2000	86	1.50	118049	0.56
2001-3000	24	0.42	59093	0.28
3001-4000	6	0.10	21118	0.10
4001-5000	7	0.12	32241	0.15
5001-10000	16	0.28	127235	0.60
10001and above	43	0.75	19800281	93.59
<b>Total</b>	<b>5736</b>	<b>100</b>	<b>21157310</b>	<b>100</b>

**10. DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

The Company's shares are available for trading in both "National Securities Depository Limited" and "Central Depository Services (India) Limited". As on 31st March, 2023, below are the following details.

Particulars	No. of Shares	% Share Capital
CDSL	16,95,88,22	80.16
NSDL	33,50,588	15.84
Physical	8,47,900	04.00
<b>Total</b>	<b>2,11,57,310</b>	<b>100.00</b>

**11. Address for correspondence**

Registered Office:3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad-500029.

Email:-comsec@narbadajewellery.com

**12. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME:**

Not Applicable since the Company does not have any debt instruments.

**13. OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:**

The Company has not issued these types of securities.

**14. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

NIL Charges for Monitoring Foreign Investment Limit

**VII. OTHER DISCLOSURES:**

**A. DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE:**

There were no material significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or the Senior Management which may have a potential conflict with the interest of the Company at large.

**B. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS;**

There was no penalty imposed on company by stock exchange during the year 2022-23.

**C. WHISTLE BLOWER POLICY:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Audit Committee.

**D. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non-mandatory requirements.

**E. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED;**

The Company does not have any material subsidiary as defined under Listing Regulations.

**F. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's Website [https://dev.narbadajewellery.com/wp-content/uploads/2023/08/Narbada\\_RPT\\_Policy\\_09062022.18232027.pdf](https://dev.narbadajewellery.com/wp-content/uploads/2023/08/Narbada_RPT_Policy_09062022.18232027.pdf). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All Related Party Transactions are subjected to independent review by the statutory auditor to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

**G. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

The Company is not materially exposed to commodity price risks nor does the company do any commodity hedging.

**H. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A).**

Company has not raised any funds through preferential allotment or Qualified Institutional Placement during the financial year 2022-23.

**I. CERTIFICATE FROM PRACTICING COMPANY SECRETARY**

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

**J. RECOMMENDATIONS OF COMMITTEES**

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

**K. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR**

The Total Audit Fee for all services to the statutory auditor (s) is Rs. 50,000/-

**L. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

<b>Particulars</b>	<b>Number</b>
No. of Complaints filed during the financial year	Nil
No. of Complaints disposed of during the financial year	Nil
No. of Complaints pending as on end of the financial year	Nil

**M. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT**

Neither the listed company nor the subsidiary company has advanced any loan to firm/ companies in which directors are interested.

**N. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES: NIL**

**VIII. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.**

The company has complied with the requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

**IX. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015.**

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

**X. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:**

<b>Regulation</b>	<b>Particulars</b>	<b>Compliance Status</b>
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Website	Yes

**XI. CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**XII. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2022-23.**

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on March 31, 2023 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

**XIII. MD/ CFO Certification**

The Managing Director and CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2022-2023 is provided elsewhere in this Annual Report.

**XIV. RECONCILIATION OF SHARE CAPITAL:**

A qualified Practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**XV. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS:**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Audit qualifications:** Company's financial statements have no qualifications.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

**XVI. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

**XVII.GREEN INITIATIVE IN THE COPORATE GOVERNANCE**

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, by email are sent only to those shareholders whose email addresses are not registered with the Company and for bounced mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/ concerned depository to enable the Company to send the documents in electronic from or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

**DECLARATION REGARDING CODE OF CONDUCT:**

To the Shareholders,

I hereby declare that in terms of Regulation 26(3) of the SEBI Listing Regulations, all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company as on 31st March, 2023.

For and on behalf of Board of Directors

Sd/-

**(Sanjay Kumar Sanghi)**

Managing Director

DIN: 00629693

Sd/-

**(Ritesh Kumar Sanghi)**

Director

DIN: 00628033

Date: 10-08-2023

Place: Hyderabad

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

This report covers the Management perspective on the operational and financial performance of the Company for the year ended March 31, 2023. The Company operates in one segment which is Jewellery manufacturing. Your Board of Directors places herewith the Management Discussion and Analysis Report on the business of the Company as applicable to the extent relevant.

### **GLOBAL ECONOMY:**

The global economy experienced a slowdown in 2022-23 due to high inflation rate, tightening financial conditions, increasing interest rates, rising geopolitical tensions, ongoing Russia and Ukraine war and some ongoing effects of Covid-19, as a result of these the global economy could only grow by 3.2% in 2022. With most of these challenges continuing in 2023, the global economy is projected by IMF to grow at 2.8% in 2023 which will be one of weakest growth rates since 2001. Concern over slowdowns in major economies remain, with recent troubles in banking sector aggravating worries that runaway inflation and tight monetary policy would hamper growth and financial investments. As per IMF close to 90% advanced economies will experience slowing growth this year.

### **INDIAN ECONOMY:**

The Indian economy demonstrated resilience despite challenges in the global environment on the back of strong demand, support from Government policies and strong banking system. As per World Bank report of April 2023, India was one of the fastest growing economies in the world in 2022- 23 at 7% growth. Outlook for Indian economy remains positive for 2023-24 with projected growth at 6.3%. IMF's bi-annual World Economic Outlook projects India's retail inflation to ease in 2023-24 to 4.9% from 6.7% in FY 2022-23 which will help improve demand and the discretionary expenditure. India's direct and indirect tax collections were robust in 2022-23. Direct tax collections increased by 17.63% and indirect tax collections increased by 22% over the previous year. Merchandise and service exports estimated at US\$ 765 billion jumped by 16% during the year 2022-23. IMD's prediction of 'normal' rains during the current year at 96% of long period average will be good for agricultural sector and rural economy of India. Increased focus on infrastructure development by the Government of India and affordable data pricing has helped the rural and semi urban areas not only in terms of improved employment opportunities and income source but has also brought them closer to urban centres and thereby increasing aspirations for better life style. Rural consumption of FMCG products grew by 8.9% during 2022-23 which indicates increased preference towards quality products. Changes in the weather pattern with increased unseasonal spells of heavy rains and larger periods of heatwaves during the summer months may however, have a negative impact on some sectors of the economy. With signs of resurgence of Covid-19 pandemic virus, the same needs to be closely monitored with increased preventive steps to control the spread so as not to adversely affect the economic growth in 2023- 24.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The Company is a part of an Industry, which largely operates through unorganized constituents. However, unlike the industry, the Company has attempted to operate through in as systematic and organized manner as possible. However, since Diamonds and Jewellery is one industry, in which India



holds, commendable position in the world, akin to the software industry, one can look forward to more international involvement coming up in this industry.

#### **INDUSTRY OPPORTUNITIES AND THREATS:**

Following can be termed as the opportunities / strengths of the Company: • Induction of widely experienced and specialized personnel on the Board. • Good combination of technical as well as advisory personnel in the management. • More and more benefits and exemptions are likely to come in the way of exports and Special Economic Zones and the Company, having commendable exports and being situated in SEEPZ-SEZ, is likely to receive the advantage of the same. • Some of the world retail majors have decided sometime back to source part of their requirements from India. This shall further the growth of the Diamond industry in India. •

Amongst the threats, the unfavourable government policies, cut throat competition amongst manufacturers and exporters remains major concerns for the Gems and Jewellery Business.

#### **OUTLOOK:**

The Company has done reasonably in the current year and expects to achieve a really good percentage growth of market share in the Diamond manufacturing and Jewellery marketing fields. The outlook for the Company can therefore be termed as optimistic and expects higher growth than inflation and average growth in the industry. Growth of the Gems and Jewellery Industry is expected to be moderate to better in the years to come depending on the policies of the Government. However Gems and Jewellery Industry is seeing robust growth in the years to come. The Growth rate of the Gems and Jewellery Industry is closely related to the growth of the other Sector and hence movements and developments in the other sectors would also indirectly affect the future of Gems and Jewellery Industry.

#### **FUTURE PROSPECTS:**

The Company has launched an extension to its already ongoing exclusive jewellery collection, "Vilandi" – Flat Polki Diamond Jewellery Collection". The Company is making good progress towards the strategic choices outlined earlier this year, specifically by introducing the development of our new product offering with stunning designs and several varieties in the category of heavy Royal Necklaces. The Company offers Flat Diamond Jewellery heavily studded with colorful Ruby, Emerald and other precious gemstone which makes the person feel royal due to its uniqueness and vibrant designs.

The Company operates in a segment where creativity is the core essence of existence, hence the Company has its own in-house designing and development team which includes Jewellery designers, merchandisers and creative heads who facilitate the Company in making lucrative and unique designs, using their creative skills and offering customers to choose from diverse variety as the jewellery is the perfect blend of tradition and culture. The Company focuses on making handcrafted jewellery.

At present, the management is the fifth Generation who possess great experience and immense skills in the field of Gems and Jewellery sector. The products of the Company have received overwhelming response in India International Jewellery Show (IIJS held recently August 4 to 8, 2023 in Mumbai )

### STRATEGIZING THE MARKETING & BUSINESS DEVELOPMENT:

- a. **Customer Acquisition Policy:** Customer acquisition is important for businesses of any age and size. The goal of this process is to create a systematic, sustainable customer who can sell the Company's products in the long term.
- b. The credit policies are kept dynamic based on client profiles to allow credit to the parties which vary from 45- 60 days depending on the retention margin on the products. So, before adding a new customer, a due diligence is done to understand, the credit worthiness of the client.
- c. **Business Development Policy:** A Business Development Policy is being evolved to cater to ever changing market preferences, but with a focus on growth and how to achieve it. It's a long-term plan that outlines strategies for steady and sustainable business growth over the coming years. Its scope covers both the marketing and sales functions, as they are interlinked in the Jewellery Industry.

### RISKS AND CONCERNS:

Following can be some of the risks and concerns the Company needs to be wary of:

- The largely unorganized structure of the market can affect the systematic functioning of the Company.
  - Political instability, which has at tremendous impact on the capital markets.
  - Likely opening up of the economy, which can be a double-edge sword.
  - The Diamond market in India is heavily influenced by the US Markets.
  - The major income component of the Company being exports, changes in economies or government policies of the countries to which the Company is exporting may also affect the operations of the Company.
  - Increasing competition among the Indian Exporters in this industry.
- a) **Labour availability Risk:** Gems and jewels industry is a highly labour-bounded and export-oriented sector. The labour force shifted back to their native places due to Covid-19 and lockdown, which is resulted non- availability of Labour for few months.
  - b) **Compliance risk:** Those risks associated with the need to comply with Government Laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect. The Company being into manufacturing is clouded with much compliance for its operations and has been meticulous in its compliance regime.
  - c) **Financial risk:** Those associated with financial structure of the company, its transactions and the financial system in place. Being in jewellery line, the risks of theft and loss is always looming large.
  - d) **Bullion Risk:** The volatility in the gold prices exposes the Company to bullion risk as gold forms approximately 30% to 50% of the cost of the finished product.

The Company has in place a comprehensive risk management framework that helps in anticipating, identifying, and evaluating business risks and challenges across the Company and finding ways to mitigate the same.

**SWOT ANALYSIS:****STRENGTHS:**

1. Capable to venture into new markets and exploit various opportunities with the help of strong management team
2. Having huge customer base to explore new markets across the states in India;
3. Customized service gives a unique identity to the company distinct from other players;
4. Use of synergy optimization at various functional verticals gives a huge advantage;
5. Advanced Technology strength to support business operations and expansion.

**WEAKNESSES:**

1. Low margin products;
2. Mixture of organized and un-organized sector in Jewellery Industry affects profit margins drastically;
3. Limited line of business is the bottleneck to exploit untapped markets;
4. Frequent change in customer taste and preference for jewellery designs.

**OPPORTUNITIES:**

1. Tier II and III cities rising demand
2. Concentrating in one sector makes the company mature in the industry and gain efficiency in operations.
3. Scaling of economy resultant out of Brand/ Advertisement & Publicity / Procurement of Gold, Product Mix, designs, etc.

**THREATS:**

1. Depending on bank finance and customer advances;
2. Penetration of large corporate jewellery traders cutting down margins;
3. Recession affects the industry growth in general;
4. Acute shortage of skilled labour increases the production cost significantly;
5. Highly fluctuating gold price movement acts as a hinderance.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other assets, and for the sale of goods. The Company also has in place an Audit Committee to have a periodic overview of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

- Audit Committee of the Board of Directors, comprising independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, as well as, reasons for changes in accounting policies and practices, if any.
- A well established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks
- Monthly meeting of the top management committee to review operations and plans in key business areas

**FINANCIAL SYNOPSIS OF THE COMPANY:**

**SHARE CAPITAL:**

The Authorised Share Capital of your Company is Rs. 21,50,00,000/- divided into 2,15,00,000 Equity shares of Rs. 10/- each as on 31st March, 2022.

The Total Paid up capital of the Company stands at Rs. 21,15,73,100 divided into 2,11,57,310 Equity shares of Rs. 10 each as on date.

**DISCUSSION ON FINANCIAL PERFORMANCE OF THE COMPANY:**

Revenue from operations was recorded as Rs. 9,356.42 Lakhs against Rs. 6,093.96 Lakhs during previous year registering increase of 54.30% over the previous year. The Company reported a Net Profit of Rs. 355.17 Lakhs as against Rs. 345.87 Lakhs earned during previous year. The lower profitability is due to the increased prices of raw materials.

**INDUSTRIAL RELATIONS AND HUMAN RESOURCES:**

The Company considers that its relationship with its employees is vital and ensures that employees feel valued and is endeavouring to create an environment and culture within which every employee can put his best efforts and maximize his contribution.

The Company ensures that all its employees remain competent through education, skills, training and experience as necessary. The Company has had cordial relations between the management and employees and an atmosphere of harmonious working to achieve the business objectives of the Company throughout the year. The Company is poised to motivate each of its employees to perform to the fullest extent possible and to appropriately reward their excellence

**CHANGES IN KEY FINANCIAL RATIOS:**

Pursuant to provisions of Regulation 34 (3) of SEBI (LODR) Regulation, 2015 read with Schedule V part B(1) details of changes in Key Financial Ratios is given hereunder:

<b>S. No</b>	<b>Ratio Type</b>	<b>F.Y.22-23</b>	<b>F.Y.21-22</b>	<b>% of Change</b>	<b>Reasons/Remarks for variation of 25%</b>
1	Current Asset Ratio	2.13	3.24	-34.03%	Available funds are used to invest in fixed assets for the upcoming new premises, more than 2 is ideal
2	Debt Equity Ratio	0.66	0.35	88.47%	Increased the utilization of debt and is favorable below 1
3	Debt Service/ Interest Coverage Ratio	3.47	5.62	-38.31%	Increased the utilization of funds, more than 1 is favorable
4	Return on Equity/ Networth Ratio	8.76%	10.40%	-15.83%	-
5	Inventory Turnover Ratio	1.82	1.70	6.49%	-
6	Trade Receivable/ Debtors Turnover Ratio	5.72	4.45	28.45%	The Collection on accounts receivable has improved
7	Trade Payable Turnover Ratio	14.34	24.90	-42.41%	The payable period from the supplier has increased.
8	Net Capital Turnover Ratio	2.24	1.69	32.62%	The Company has efficiently utilized its working capital.
9	Net Profit/Operating Profit Ratio	3.82%	5.70%	-33.09%	Expenditure has increased in order to increase the operation.
10	Return on Capital Employed	7.92%	7.81%	1.45%	-
11	Return on Investment	23.18%	25.91%	-10.55%	-

**CAUTIONARY NOTE:**

Statements in this report and Corporate Governance Report read together with the Directors' Report and financial statement describing the Company's objectives, projections, estimates, expectations and predictions, may be "forward looking statements". Actual results may differ from those expressed or implied due to variations in prices of raw materials, seasonal demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.

**ANNEXURE-VI A**

**CERTIFICATE ON CORPORATE GOVERNANCE**

(Pursuant to Schedule V(E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
**Narbada Gems and Jewellery Limited**  
3-6-291/4/B, 2nd Floor, Hyderguda,  
Hyderabad-500029

I have examined the records of **Narbada Gems and Jewellery Limited** ( BSE Code 519455) , Hyderabad for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C, D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 listing Regulations) as amended, for the financial year ended 31st March, 2023 as made available physically and remotely. I have obtained the required information which is to the best of my knowledge belief were necessary for the purpose of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. My examination has been in the manner prescribed in the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India and has been limited to a review of the procedures and implementation thereof adopted by the Company. It is not an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company nor an audit or expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on my reliance upon the representations made by the management, that there were no transactions of material nature with the management of the Company that have an impact on the financial position of the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 09.08.2023

Sd/-  
**AJAY SUMAN SHRIVASATAVA**  
Practicing Company Secretary  
Membership No: 3489  
PCS: 3479  
UDIN: F003489E000773434

**ANNEXURE – VI(a)**

**STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (1) (2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- 1. The Ratio of remuneration to each director to the median remuneration of the employees of the company for the Financial Year.**

(Amount in Lakhs)

<b>Director</b>	<b>Total Remuneration</b>	<b>Ratio to median remuneration</b>
Sanjay Kumar Sanghi	-	-
Ritesh Kumar Sanghi	-	-
Bhavana Sanghi	-	-

- 2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.**

(Amount in INR)

<b>Name</b>	<b>Designation</b>	<b>Remuneration</b>		<b>Increase</b>
		<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>/(Decrease) %</b>
SanjayKumar Sanghi	-	-	-	
Ritesh Kumar Sanghi	-	-	-	
Bhavana Sanghi	-	-	-	
Bajranglal Agarwal	Chief Financial Officer	9,00,000	7,21,645	25%
Nitin Agarwal	Company Secretary	-	51,482	
Shivani Rastogi	Company Secretary	5,92,058	2,88,124*	25%

**\*Part of Financial year**

- 3. The percentage increase in the median remuneration of employees in the Financial Year**

(Amount in INR)

<b>Particulars</b>	<b>Remuneration</b>		<b>Increase/(</b>
	<b>FY 2022-23</b>	<b>FY 2021-22</b>	<b>Decrease)%</b>
Median Remuneration of all the employees per annum*	2,76,000	2,76,000	-

**4. No. of Employees on the Roll of Company:**

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2023	110

**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 the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration**

Particulars	Increase/(Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	-
<b>Average Percentage increase in the Remuneration of Key Managerial Personnel</b>	<b>25%</b>

*\*Employees who have served for whole of the respective financial years have been considered.*

**6. Affirmation that the remuneration is as per the remuneration policy of the company.**

The Company is in compliance with its remuneration policy.



**ANNEXURE – VI (b)**

**Statement showing the names of the Top Ten Employees in terms of Remuneration drawn as per Rule 5 (3) of the Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014**

(Amount in Rs.)

S No.	Name of the Employee	Designation of the employee	Remuneration received	Nature of employment whether contractual or otherwise	Qualification and experience of the employee	Date of commencement of employment	The age of the employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Tejas Sanghi	Business-Head	5,400,000	Permanent	BBA	2021	29	-	5.75%	Son of Mr. Sanjay Kumar Sanghi
2	Bajranglal Agarwal	Chief Financial Officer	900,000	Permanent	B. Com	01.04.16	70	Admin Head		
3	Suresh Raman Iyer	Inventory	840,000	Permanent	B.SC	01.02.23	46	Inventory		
4	A.Srikanth	Production Manager	732,000	Permanent	B. Com	01.04.04	42	Data Entry		
5	Shivani Rastogi	Company Secretary	636,000	Contractual	CS	07.01.21	28	CS		
6	T. Vijay Kumar	Sales	456,000	Permanent	B. Com	02.01.18	35	Jr. Sales		
7	Lakshimikanta Samanta	QC	432,000	Permanent	B. Com	10.12.22	40	Worker		
8	Tapas Kumar Pal	Design	420,000	Permanent	Inter	08.01.18	42	Jr. Designer		
9	Md. Mahboob Rashid	CAD	420,000	Permanent	B. Com	09.01.21	35	Worker		
10	Sanjay Kha	Setting	408,000	Permanent	Inter	06.01.18	40	Worker		

**COMPLIANCE CERTIFICATE**

[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To  
The Board of Directors,  
**NARBADA GEMS AND JEWELLERY LIMITED**  
Hyderabad

We, the Managing Director and Chief Financial Officer of the Company do hereby certify in accordance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II thereto, that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March 2023 and to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the entity's code of conduct.
- C. We jointly accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors namely M/s Anant Rao & Malik, Chartered Accountants, Hyderabad and the Audit committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken or proposed to be taken to rectify these deficiencies.
- D. We have indicated, to the Auditors and Audit Committee:
1. Significant changes, in the internal control over financial reporting during the year; if any;
  2. Significant changes, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 10.08.2023  
Place: Hyderabad

Sd/-  
**(Sanjay Kumar Sanghi)**  
Managing Director  
DIN: 00629693

Sd/-  
**(Bajranglal Agarwal)**  
Chief Financial Officer

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

To,

**The Members****Narbada Gems and Jewellery Limited**

3-6-291/4/B, 2nd Floor,  
Hyderguda, Hyderabad- 500029

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Narbada Gems and Jewellery Limited**, having CIN: L01222TG1992PLC014173 and BSE Code: 519455, having its registered office at 3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad-Telangana-500029. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 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.

<b>S. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment/ Reappointment</b>
1.	Mr. Sanjay Kumar Sanghi	Managing Director	00629693	14-10-2006/ 18-08-2022
2.	Mr. Ritesh Kumar Sanghi	Director	00628033	29.06.2007/ 26-09-2022
3.	Ms. Bhavna Sanghi	Director	02681438	14.05.2014/ 29-09-2021
4.	Mr. Ramprasad Vempati	Director	01903161	14-01-2007/ 23-09-2019
5.	Mr. Siddharth Goel	Director	03022978	12-05-2012/ 23-09-2019
6.	Mr. Sunil Garg	Director	08851283	27-08-2020/ 11-12-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification of records available. 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.

Sd/-

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489

C P No.: 3479

UDIN: **F003489E000769311**

Place: Hyderabad

Date: 09.08.2023

## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of NARBADA GEMS AND JEWELLERY LIMITED**

**Report on the Audit of the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the standalone Ind AS financial statements of **NARBADA GEMS AND JEWELLERY LIMITED** ("the Company"), which comprises the balance sheet as at 31st March 2023, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's response
<p><b>Revenue Recognition:</b></p> <p>The Company recognises revenue when the control of goods being sold is transferred to the customer. A substantial part of Company's revenue relates to jewelry which involves large number of sales contracts having varied contractual terms. This increases the risk of misstatement of the timing and amount of revenue recognised to achieve specific performance targets or expectations.</p> <p>The Company and its external stakeholders focus on revenue as a key performance indicator.</p> <p>In view of the above we have identified revenue recognition as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. Assessed the appropriateness of the accounting policy for revenue recognition as per relevant accounting standard.</li> <li>2. We evaluated the design and implementation of key internal financial controls and their operating effectiveness with respect to revenue recognition transactions selected on a sample basis. These included general IT controls and key application controls over the IT systems which govern revenue recognition, including access controls, controls over program changes and interfaces between different systems.</li> <li>3. We perused selected samples of key contracts with customers to understand terms and conditions particularly relating to acceptance of goods.</li> <li>4. We performed substantive testing of retail sales by selecting samples of sales using statistical sampling and tested the underlying documentation including verification of invoices and collections thereon.</li> <li>5. We tested, selected samples of sales transactions made immediately pre and post year end, agreed the period of revenue recognition to the underlying documents.</li> <li>6. We scrutinised manual journals posted to revenue to identify unusual items.</li> </ol>
<p><b>"Inventory"</b></p> <p>The Company's inventories primarily comprises jewellery of gold, diamonds, gemstones etc. ("inventory") We have considered existence of inventory to be a key focus area for our audit due to the high value and nature of inventory involved could lead to a significant risk of loss of inventory</p>	<p>Our principal audit procedures performed, among other procedures, included the following:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of the management's process for safeguarding and physical verification of inventories</li> </ol>

<b>Key Audit Matters</b>	<b>Auditor's response</b>
	<p>including the appropriateness of the Company's procedures for conducting, reconciling and recording physical verification of inventories.</p> <p>2. Evaluated the design and implementation of relevant controls and carried out the testing of operating effectiveness of controls over conducting, reconciling and recording physical verification of inventories.</p> <p>3. Tested the operating effectiveness of controls around the IT systems for recording of inward and outward movements of inventory</p>

**Other information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexure 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 standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone 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 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 with reference to standalone financial statements 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 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 standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

1. 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;
2. 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 ;
3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
5. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
7. 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. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not paid any managerial remuneration to any director.



8. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. There are no pending litigations for the company that will impact the financial position of the company;
  - b. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - c. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts:
    - (i), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (ii) no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
  - e. No dividend declared/paid during the year has been made/ provided by the Company, accordingly compliance of Section 123 of the Act, is not applicable.
  - (f.) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For **ANANT RAO & MALLIK,**  
Chartered Accountants,  
FRN: 006266S

Sd/-  
**(V ANANT RAO)**

Partner

Membership No.022644

UDIN : 23022644BGUPKY1554

Place: Hyderabad  
Date: 26.05.2023

## Annexure - A to the Auditors' Report

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2023, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, Capital work-in-progress and relevant details of right-of-use of assets.
- (B) The Company has maintained proper records showing full particulars of intangible Assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified during the year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not hold any immovable properties. Consequently, clauses 3(i)(c) of the Order is not applicable to the Company.
- (d) 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 not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, there are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. **In respect of Inventories :**
- (a)(A) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (B) The coverage and procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (C) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and

statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

- iii. During the year, the Company has not granted any loans secured or unsecured to parties covered in the register maintained under section 189 of the Act. Hence, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- v. The Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. In our opinion and according to the information and explanations given to us, the Company is not required to maintain Cost records under Central Government under sub-section (1) of the section 148 of the Act.
- vii. In respect of statutory dues :
  - a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, Goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
  - b) According to information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Value added Tax, Customs Duty or Cess outstanding on account of any disputes
- viii. According to the information and explanations given to us and on the basis of examination of the records, there were no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in the repayment of loans along with interest to the Banks.  
  
(b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;

- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries or Associates.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.
- (b) During the year the Company has made preferential allotment of 24,94,000 equity shares of Rs.10 each at a premium of Rs.7/- each on conversion of Share Warrants and Company has with the requirements of section 42 and section 62 of the Companies Act, 2013. The funds raised by the Company have been used for the purposes for which the funds were raised.
- xi. (a) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year.

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanations given to us, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable
- (b) According to the information and explanations given to us, The Company does not have any Core Investment Company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. As we are the continuing auditor of this Company, paragraph 3(xviii) is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) Corporate Social Responsibility is not applicable to the company for the FY 2022-23. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable
- (b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year. Hence, reporting under clause 3(xx)(b) of the Order is not applicable.
- xxi. The company does not have any investment in any entity. Hence, Company is not required to prepare consolidated financial statements and reporting under clause 3(xxi) of the Order is not applicable.

**For ANANT RAO & MALLIK,**  
Chartered Accountants,  
FRN: 006266S

Sd/-  
**(V ANANT RAO)**  
Partner

Membership No.022644  
UDIN: 23022644BGUPKY1554

Place: Hyderabad  
Date: 26.05.2023

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/s. NARBADA GEMS AND JEWELLERY LIMITED** ("the Company") as of 31 March 2023 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANANT RAO & MALLIK**,  
Chartered Accountants,  
FRN: 006266S

Sd/-  
**(V ANANT RAO)**  
Partner

Place: Hyderabad  
Date: 26.05.2023

Membership No.022644  
UDIN: 23022644BGUPKY1554

**NARBADA GEMS AND JEWELLERY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2023**

*(Rs. in lakhs)*

Particulars	Note No.	31st March, 2023	31st March, 2022
<b>A Assets</b>			
<b>1 Non-Current assets</b>			
(a) Property, Plant & Equipment	1A	126.13	117.95
(b) Capital Work-in-progress	1B	224.15	55.10
(c) Intangible Asset	1C	4.58	-
(d) Financial assets			
(i) Other financial assets	2	41.13	40.66
(e) Deferred tax Asset (net)	3	1.39	-
(f) Other non-current assets		-	-
<b>Total Non - Current Assets</b>		<b>397.38</b>	<b>213.71</b>
<b>2 Current assets</b>			
(a) Inventories	4	5,296.78	3,859.55
(b) Financial assets			
(i) Investments	5	57.05	46.41
(ii) Trade receivables	6	2,038.69	1,216.69
(iii) Cash & Cash Equivalents	7	307.97	6.08
(iv) Other financial assets		-	-
(c) Current tax assets (net)	8	2.25	-
(d) Other Current assets	9	118.48	70.06
<b>Total Current Assets</b>		<b>7,821.21</b>	<b>5,198.80</b>
<b>Total Assets</b>		<b>8,218.58</b>	<b>5,412.51</b>
<b>B Equity &amp; Liabilities</b>			
<b>1 Equity</b>			
(a) Equity share capital	10	2,118.41	1,770.11
(b) Other Equity	11	2,336.92	1,885.96
<b>Total Equity</b>		<b>4,455.32</b>	<b>3,656.07</b>
<b>2 Liabilities</b>			
<b>Non-Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	12	88.33	149.11
(b) Provisions	13	11.13	-
(c) Deferred tax liabilities (net)	14	-	0.74
<b>Total Non-Current Liabilities</b>		<b>99.46</b>	<b>149.85</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	2,862.33	1,135.60
(ii) Trade payables	16		
(a) Total outstanding dues of micro and small enterprises		427.34	56.96
(b) Total outstanding dues other than micro and small enterprises		330.69	344.25
(b) Other current liabilities	17	37.74	33.08
(c) Current tax liabilities (net)	18	5.70	36.70
<b>Total Current Liabilities</b>		<b>3,663.80</b>	<b>1,606.59</b>
<b>Total Equity and Liabilities</b>		<b>8,218.58</b>	<b>5,412.51</b>

Our Report attached,  
For Anant Rao & Mallik  
Chartered Accountants,  
FRN:006266S

(V. Ananta Rao)  
Partner  
Membership No. 022644

Hyderabad  
Date: 26.05.2023

For Narbada Gems and Jewellery Limited

Sd/-  
Sanjay Kumar Sanghi  
Managing Director  
DIN: 00629693

Sd/-  
Ritesh Kumar Sanghi  
Director  
DIN: 00628033

Sd/-  
Bajranglal Agarwal  
Chief Financial Officer



**NARBADA GEMS AND JEWELLERY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2023** (Rs. in lakhs)

Particulars	Note No.	31st March, 2023	31st March, 2022
Revenue from operations	19	9,305.35	6,062.87
Other income	20	51.08	31.10
<b>Total Revenue (I)</b>		<b>9,356.42</b>	<b>6,093.96</b>
<b>Expenses:</b>			
Cost of materials consumed	21	9,748.50	6,802.31
Changes in inventories	22	(1,437.23)	(1,506.72)
Employee benefits expense	23	290.50	178.84
Finance costs	24	129.53	68.40
Depreciation and Amortisation Expenses	1	21.38	15.96
Other expenses	25	134.31	71.71
<b>Total Expenses (II)</b>		<b>8,887.00</b>	<b>5,630.51</b>
<b>Profit before tax and exceptional items (I-II)</b>		<b>469.42</b>	<b>463.46</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>469.42</b>	<b>463.46</b>
Tax expense:			
Current tax		115.40	117.67
Income tax pertaining to earlier years		0.98	-
Deferred tax		(2.13)	(0.08)
<b>Profit after tax</b>		<b>355.17</b>	<b>345.87</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss (net of tax)		-	-
B (i) Items that will be reclassified to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income after tax		355.17	345.87
Earnings per equity share:	26		
Basic		1.72	2.15
Diluted		1.70	1.83
Accounting Policies	27		

Our Report attached,  
For Anant Rao & Mallik  
Chartered Accountants,  
FRN:006266S

(V. Ananta Rao)  
Partner  
Membership No. 022644

Hyderabad  
Date: 26.05.2023

For Narbada Gems and Jewellery Limited

Sd/-  
Sanjay Kumar Sanghi  
Managing Director  
DIN: 00629693

Sd/-  
Ritesh Kumar Sanghi  
Director  
DIN: 00628033

Sd/-  
Bajranglal Agarwal  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY**

**A. EQUITY SHARE CAPITAL**

(Rs. In Lakhs)

Balance as on 01.04.2022	Changes in Equity share capital due to prior period errors	Restated balance as at 01.04.2022	Changes in Equity share capital due to prior period errors	Restated balance as at 31.03.2023
1,770.11	-	1,770.11	348.30	2,118.41

(Rs. In Lakhs)

Balance as on 01.04.2021	Changes in Equity share capital due to prior period errors	Restated balance as at 01.04.2021	Changes in Equity share capital due to prior period errors	Restated balance as at 31.03.2022
1,520.71	-	1,520.71	249.40	1,770.11

**B. OTHER EQUITY**

(Rs. in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive income	Money received on issue of share warrants	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings			
Balance as at April 1, 2022	620.48	-	1,117.46	-	148.03	1,885.96
Amount received for warrant conversion	-	-	-	-	-	-
Conversion of share warrants into Equity shares	243.81	-	-	-	(148.03)	95.78
Profit for the year	-	-	355.17	-	-	355.17
Othr comprehensive income/(losses)	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>864.29</b>	<b>-</b>	<b>1,472.63</b>	<b>-</b>	<b>-</b>	<b>2,336.92</b>

Particulars	Reserves and Surplus			Other Comprehensive income	Money received on issue of share warrants	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings			
Balance as at April 1, 2021	445.90	-	771.59	-	-	1,217.49
Amount received for warrant conversion	-	-	-	-	254.02	254.02
Conversion of share warrants into Equity shares	174.58	-	-	-	(106.00)	68.59
Profit for the year	-	-	345.87	-	-	345.87
Othr comprehensive income/(losses)	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>620.48</b>	<b>-</b>	<b>1,117.46</b>	<b>-</b>	<b>148.03</b>	<b>1,885.96</b>

**NARBADA GEMS AND JEWELLERY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2023** (Rs. in lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>A. Cash flows from Operating Activities</b>		
Net Profit before tax	469.42	463.46
<b>Adjustments for:</b>		
Depreciation	21.38	15.96
Finance Cost	129.53	68.40
Dividend Income	(4.10)	(2.33)
Profit on Sale of Assets	(2.00)	0.00
Gain on Shares investment	(12.96)	(14.68)
<b>Operating profit before working capital changes</b>	<b>601.27</b>	<b>530.81</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in Inventories	(1437.23)	(1506.72)
(Increase) / Decrease in Trade Receivables	(821.99)	291.13
(Increase) / Decrease in Other Financial assets	(0.46)	0.00
(Increase) / Decrease in Non current Assets	0.00	0.00
(Increase) / Decrease in Investments	(10.63)	(16.96)
(Increase) / Decrease in Other current assets	(50.67)	(48.58)
Increase / (Decrease) in Non-current Liabilities & Provisions	11.13	0.00
Increase / (Decrease) in Current Liabilities & Provisions	356.82	376.29
Increase / (Decrease) in Other current liabilities	4.66	8.73
<b>Cash Generated from Operations</b>	<b>(1347.10)</b>	<b>(365.31)</b>
Direct Taxes	(147.38)	(87.40)
<b>Net Cash Flow from Operating Activities</b>	<b>(1494.48)</b>	<b>(452.71)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(203.19)	(92.42)
Dividend Income	4.10	2.33
Profit on Sale of Assets	2.00	
Gain on Shares investment	12.96	14.68
<b>Net Cash used in investing Activities</b>	<b>(184.13)</b>	<b>(75.40)</b>
<b>C. Cash flows from Financing Activities</b>		
Finance Cost	(129.53)	(68.40)
Increase / (Decrease) in Borrowings	1665.94	193.91
Issue of equity shares	592.11	423.98
Issue of share warrants	(148.03)	(106.00)
<b>Net Cash used in Financing Activities</b>	<b>1980.50</b>	<b>443.49</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>301.89</b>	<b>(84.62)</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>6.08</b>	<b>90.70</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>307.97</b>	<b>6.08</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Ind AS -7 issued by the Institute of Chartered Accountants of India.
- The Previous years figures have been regrouped wherever necessary in order to confirm to this year's presentation.

Our Report attached,  
For Anant Rao & Mallik  
Chartered Accountants,  
FRN:006266S

(V. Ananta Rao)  
Partner  
Membership No. 022644

Hyderabad  
Date: 26.05.2023

For Narbada Gems and Jewellery Limited

Sd/-  
Sanjay Kumar Sanghi  
Managing Director  
DIN: 00629693

Sd/-  
Ritesh Kumar Sanghi  
Director  
DIN: 00628033

Sd/-  
Bajranglal Agarwal  
Chief Financial Officer

**NOTE 1A: Property, Plant & Equipment**

Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2022	Additions during the Year	Sales/ Adjustments during the Year	As at 31.03.2023	As at 01.04.2022	For the Year	Sales/ Adjustments during the Year	As at 31.03.2023	As at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer	2.03	0.21	-	2.25	0.91	0.29	-	1.21	1.04
Office equipment	10.42	4.35	-	14.78	6.90	2.36	-	9.26	5.52
Furniture & Fixtures	10.64	-	-	10.64	3.72	1.09	-	4.81	5.82
Plant & Machinery	59.46	2.46	-	61.92	3.65	4.04	-	7.70	54.22
Vehicles	92.38	22.17	6.77	107.79	41.80	13.23	6.77	48.26	59.53
<b>TOTAL ASSET</b>	<b>174.93</b>	<b>29.19</b>	<b>6.77</b>	<b>197.36</b>	<b>56.99</b>	<b>21.01</b>	<b>6.77</b>	<b>71.23</b>	<b>126.13</b>
(Previous year)	123.67	51.27	0.00	174.93	41.03	15.96	0.00	56.99	117.95

**NOTE 1B: Capital Work-in-Progress**

Ageing of CWIP as on 31.03.2023 (Rs. in lakhs)

	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	169.05	41.15	13.95	
Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00

**Ageing of CWIP as on 31.03.2022**

(Rs. in lakhs)

	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Projects in progress	41.15	13.95	0.00	
Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00

**NOTE 1C: Intangible Asset**

(Rs. in lakhs)

Asset	GROSS BLOCK				AMORTIZATION				NET BLOCK
	As at 01.04.2022	Additions during the Year	Sales/ Adjustments during the Year	As at 31.03.2023	As at 01.04.2022	For the Year	Sales/ Adjustments during the Year	As at 31.03.2023	As at 31.03.2023
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Software	-	4.95	-	4.95	0.00	0.37	-	0.37	4.58
Total Intangible Asset	0.00	4.95	0.00	4.95	0.00	0.37	0.00	0.37	4.58
(Previous year)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Note: 2 Other Financial Assets**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Unsecured Considered good Deposits(others)	41.13	40.66
<b>Total</b>	<b>41.13</b>	<b>40.66</b>

**Note:3 Deferred tax Asset (Net)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Opening Balance	-	-
Less: During the year	1.39	-
<b>Total</b>	<b>1.39</b>	<b>-</b>

**Note:4 Inventories**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Raw materials	-	-
Work-in-progress	3,175.23	1,453.83
Finished goods	2,121.55	2,405.72
<b>Total</b>	<b>5,296.78</b>	<b>3,859.55</b>

**Note:6 Investments (Financial assets)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>Unsecured Considered good</b>		
Investment In Shares	57.05	46.41
<b>Total</b>	<b>57.05</b>	<b>46.41</b>

**Note:6 Trade Receivables (Financial assets)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
a) Considered Good - Secured	-	-
b) Considered good - Unsecured	2038.69	1216.69
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired	-	-
<b>Total</b>	<b>2,038.69</b>	<b>1,216.69</b>

**Note:6 Trade Receivables (Financial assets)**

**Ageing of Trade receivables as on 31.03.2023**

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	2038.67	0.00	0.01	-		2,038.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>2038.67</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>-</b>	<b>2,038.69</b>

**Ageing of Trade receivables as on 31.03.2022**

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1216.68	0.01		-		1,216.69
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1216.68</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,216.69</b>

**NARBADA GEMS AND JEWELLERY LIMITED**

**Note:7 Cash & Bank Balances (Financial assets)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Cash & Cash equivalents:		
Cash on hand	4.44	0.27
Balances with banks in current accounts	303.53	5.80
<b>Total</b>	<b>307.97</b>	<b>6.08</b>

**Note:8 Current tax asset (net)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Income tax refund	2.25	-
<b>Total</b>	<b>2.25</b>	<b>-</b>

**Note:9 Other Current assets**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
GST Receivable	22.19	31.19
Other Advances	96.29	38.88
<b>Total</b>	<b>118.48</b>	<b>70.06</b>

**Note 10: Share Capital:**

Particulars	31.03.2023	31.03.2022
<b>Authorized share capital</b>		
Opening: 2,15,00,000 Equity shares of Rs.10 each	2,150.00	2,150.00
Add: Changes during the year:		
Zero Equity shares of Rs.10 each	-	-
Closing: 2,15,00,000 Equity shares of Rs.10 each	2,150.00	2,150.00
<b>Issued,Subscribed and Paid up capital</b>		
(a) 1,76,74,310 Equity shares of Rs.10 Each, Fully paid up	1,767.43	1,518.03
(b) 64,200 Equity Shares - Share Forfeited Account	2.68	2.68
Changes during the year:		
34,83,000 Equity shares of Rs.10 each	348.30	249.40
<b>Total 2,11,57,310 equity shares outstanding as on 31.03.2023</b>	<b>2,118.41</b>	<b>1,770.11</b>

**Reconciliation of Number of Shares**

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	(No. of shares)	(Rs. in lakhs)	(No. of shares)	(Rs. in lakhs)
Opening Balance	1,76,74,310	1,767.43	1,51,80,310	1,518.03
Changes during the year	34,83,000	348.30	24,94,000	249.40
Closing Balance	2,11,57,310	2,115.73	1,76,74,310	1,767.43

**Number of shares held by each shareholder holding more than 5 percent of the issued share capital :**

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	% of Issued Share Capital	(No. of shares)	% of Issued Share Capital	(No. of shares)
<b>Equity Shares:</b>				
Ritesh Kumar Sanghi	11.86%	25,08,499	12.31%	21,76,399
Sanjay Kumar Sanghi	11.73%	24,81,434	12.15%	21,47,584
Hanumanthrai Sanghi	8.69%	18,38,900	6.97%	12,31,400
Sarala Sanghi	10.15%	21,47,300	8.25%	14,58,800
Pritha Sanghi	6.74%	14,25,800	6.92%	12,23,300
Bhavna Sanghi	7.75%	16,39,200	7.62%	13,47,600
Tejas Sanghi	5.75%	12,16,813	5.60%	9,90,013
Uday Sanghi	5.94%	12,56,328	5.51%	9,74,185

**Disclosure of Shareholding of Promoters**

Particulars	Year ended March 31, 2023		Year ended March 31, 2022		% Change during the year
	(No. of shares)	% of Total Shares	(No. of shares)	% of Total Shares	
<b>Equity Shares:</b>					
Ritesh Kumar Sanghi	25,08,499	11.86%	21,76,399	12.31%	-0.45%
Sanjay Kumar Sanghi	24,81,434	11.73%	21,47,584	12.15%	-0.42%
Hanumanthrai Sanghi	18,38,900	8.69%	12,31,400	6.97%	1.72%
Sarala Sanghi	21,47,300	10.15%	14,58,800	8.25%	1.90%
Pritha Sanghi	14,25,800	6.74%	12,23,300	6.92%	-0.18%
Bhavna Sanghi	16,39,200	7.75%	13,47,600	7.62%	0.13%
Tejas Sanghi	12,16,813	5.75%	9,90,013	5.60%	0.15%
Uday Sanghi	12,56,328	5.94%	9,74,185	5.51%	0.43%
Sakshi Sanghi	7,50,000	3.54%	4,46,250	2.52%	1.02%
Mahima Sanghi	6,00,000	2.84%	3,57,000	2.02%	0.82%
Sanghi Jewellers Pvt. Ltd.	550	0.00%	550	0.00%	0.00%
	<b>1,58,64,824</b>	<b>74.99%</b>	<b>1,23,53,081</b>	<b>69.89%</b>	<b>5.10%</b>



**Note 11: Other Equity**

(Rs. in lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
<b>Securities Premium Reserve</b>				
Balance at the beginning of the year	620.48		445.90	
Add: Additions during the year	243.81		174.58	
Balance at the end of the year		864.29		620.48
<b>Money received on issue of share warrants</b>				
Balance at the beginning of the year	148.03		254.02	
Add: Additions during the year	-		-	
Less: Conversion during the year	(148.03)		(106.00)	
Balance at the end of the year		-		148.03
<b>Retained Earnings</b>				
Balance at the beginning of the year	1,117.46		771.59	
Add: Additions during the year	355.17		345.87	
Balance at the end of the year		1,472.63		1,117.46
<b>Total</b>		<b>2,336.92</b>		<b>1,885.96</b>

**NOTES TO RESERVES**

- a) **Securities premium** The amount received in excess of face value of the equity shares is recognised in Securities Premium.
- b) **Money received on issue of share warrants:** The money received on issue of share warrants represents the balance amount pending for conversion into equity shares.
- c) **Retained earnings:** Retained earnings are the profits that the Company has earned till date.

**Note:12 Borrowings (Financial liabilities)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>Secured Loans:</b>		
Working Capital (GECL) Loan	76.22	149.11
Vehicle Loan	12.11	
<b>Total</b>	<b>88.33</b>	<b>149.11</b>

**Note:13 Provisions**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Provision for Gratuity		
Opening Balance	-	-
Add: During the year	11.13	-
<b>Total</b>	<b>11.13</b>	<b>-</b>

**Note:14 Deferred tax liabilities (Net)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>Deferred tax liabilities</b>		
Opening Balance	0.74	0.81
Less: During the year	(0.74)	(0.08)
<b>Total</b>	<b>-</b>	<b>0.74</b>

**Note:15 Borrowings (Financial liabilities)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>Secured Loans:</b>		
Working capital loan(CC)	2,789.38	1,073.22
Current maturities of long term debts	72.95	62.39
<b>Total</b>	<b>2,862.33</b>	<b>1,135.60</b>

**Note:16 Trade payables (Financial liabilities)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>Trade Payables</b>		
(a) Outstanding dues of micro and small enterpriese for goods	413.41	56.96
(b) Outstanding dues of micro and small enterpriese for expenses	13.94	-
<b>Sub-total:</b>	<b>427.34</b>	<b>56.96</b>
(a) Outstanding dues other than micro and small enterpriese -goods	328.53	343.45
(b) Outstanding dues other than micro and small enterpriese -expense	2.16	0.80
<b>Sub-total:</b>	<b>330.69</b>	<b>344.25</b>
<b>Total</b>	<b>758.04</b>	<b>401.21</b>

**Ageing of Trade payables as on 31.03.2023**

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	427.34	0.00	-	-	-	427.35
<b>Sub-total:</b>	<b>427.34</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>427.35</b>
Outstanding dues other than micro and small enterprises for goods						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	330.69	-	-	-	-	330.69
<b>Sub-total:</b>	<b>330.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>330.69</b>
<b>Total</b>	<b>758.03</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>758.04</b>

**Ageing of Trade payables as on 31.03.2022**

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	56.96	-	-	-	-	56.96
<b>Sub-total:</b>	<b>56.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56.96</b>
Outstanding dues other than micro and small enterprises for goods						
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	344.25	-	-	-	-	344.25
<b>Sub-total:</b>	<b>344.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>344.25</b>
<b>Total</b>	<b>401.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401.21</b>

**Note:17 Other Current liabilities**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Others	37.74	33.08
<b>Total</b>	<b>37.74</b>	<b>33.08</b>

**Note:18 Current tax liabilities (net)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Provision for income tax	5.70	36.70
<b>Total</b>	<b>5.70</b>	<b>36.70</b>

**Note 19 : Revenue from operations**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Sale of products		
- Domestic Sales	8,865.63	5,606.75
- Export Sales	439.72	456.12
<b>Revenue from operations (net)</b>	<b>9,305.35</b>	<b>6,062.87</b>

**Note 20 :Other income**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Dividend Received	4.10	2.33
Exchange Rate Fluctuation	11.90	6.77
Freight Charges on Exports	2.31	4.39
Profit on Sale of Shares	5.73	14.68
Profit on Sale of Futures and Options	7.23	-
Profit on Sale of Assets	2.00	-
Profit on Shares Valuation	17.08	2.69
Other Income	0.72	0.22
	<b>51.08</b>	<b>31.10</b>

**Note 21 : Cost of raw material consumed**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Purchases	9,748.50	6,802.31
	<b>9,748.50</b>	<b>6,802.31</b>

**NARBADA GEMS AND JEWELLERY LIMITED**

**Note 22 : Changes in inventories**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
<b>Work-in-progress</b>		
Inventory at the beginning of the year	1,453.83	1,340.48
Inventory at the closing of the year	(3,175.23)	(1,453.83)
	<b>(1,721.39)</b>	<b>(113.35)</b>
<b>Finished Goods</b>		
Inventory at the beginning of the year	2,405.72	1,012.34
Inventory at the closing of the year	(2,121.55)	(2,405.72)
	284.17	(1,393.38)
<b>Changes in Inventories</b>	<b>(1,437.23)</b>	<b>(1,506.72)</b>

**Note 23 : Employee benefits expense**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
Salaries, Wages and Bonus	271.40	174.45
Contribution to Provident Fund	5.72	3.04
Contribution to ESI	1.44	0.76
Gratuity	11.13	-
Staff Welfare	0.81	0.59
	<b>290.50</b>	<b>178.84</b>

**Note 24 : Finance costs**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
Bank charges and commission	15.19	1.46
Bank Interest	114.34	66.95
	<b>129.53</b>	<b>68.40</b>

**Note 25: Other expenses**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2023</b>	<b>31st March, 2022</b>
<b>As Auditor</b>		
- Statutory Audit	0.50	0.50
- Tax Audit	0.15	0.15
	<b>0.65</b>	<b>0.65</b>
Bank charges and Interest	1.24	1.41
Business Promotion Expenses	5.10	-
Travelling & Conveyance	0.47	3.96
Transportation Charges	9.38	1.45

Power and Fuel	6.26	4.48
Repairs and Maintenance		
- Repairs & Maintenance Vehicle	0.55	1.63
- Repairs & Maintenance Others	21.18	3.41
Rates and Taxes	7.60	2.39
Postage, Telegrams & Telephones	0.46	2.38
Printing & Stationery	1.23	0.77
Insurance	3.40	2.96
Advertisement and publicity	4.88	1.87
Jobwork charges	29.75	7.02
Consulting and professional fee	19.23	18.62
Rent	11.71	9.72
Membership fee	1.80	0.07
Security services	6.51	6.13
Other Expenses	2.90	2.78
	134.31	71.71

**Note 26 : Earnings per share (EPS)**

(Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
Profit after tax	355.17	345.87
Weighted average number of equity shares in calculating basic EPS (Nos In Lakhs)	206.42	160.62
Weighted average number of equity shares in calculating diluted EPS (Nos In Lakhs)	209.53	188.69
Basic Earnings per Equity Share	1.72	2.15
Diluted Earnings per Equity Share	1.70	1.83

**Notes to account for the year ended March 31, 2023****A. General Information**

The Company was originally incorporated under the Companies Act, 1956 on 05th May, 1992. Currently, the shares of the Company are listed at BSE Limited. The Company is dealing in manufacturing and trading of Gold, Color Stones and Diamond jewellery with emphasis on rose cut and flat diamond jewellery.

The Manufacturing unit of the Company is located at 3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad- 500029. The unit was set up in the month of May, 2018 with intent to expand its existing business profile. The Company has also entered into the global market and started export of its specialized jewellery. In the coming years, the Company will continue to focus on the Middle-East region with the expansion of business in its core areas.

The significant accounting policies used in preparation of the standalone financial statements have been discussed in the respective notes.

The financial statements were approved by the board of directors and authorised for issue on 26-05-2023.

**26. Accounting Policies under Ind AS:****1. Significant Accounting Policies****1.1 Statement of Compliance and basis of preparation of Financial Statements**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company.

## **1.2 Use of estimates and judgment**

The preparation of standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

## **1.3 Revenue Recognition**

### **i) Operating Income**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, it is probable that economic benefits associated with the transaction will flow to the entity, the associated costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing management involvement with the goods. The point of transfer of risks and rewards depends upon the terms of the contract of sale with individual customers.

### **ii) Other Income**

The income relating to the core activities of the company which are not included in revenue from sales / services, are accounted for under Other Income.

## **1.4 Property, Plant and Equipment's**

All Property, Plant and Equipments (PPE) are stated at carrying value in accordance with previous GAAP, which is used as deemed cost on the date of transition to Ind AS using the exemption granted under Ind AS 101.

The cost of an item of property, plant and equipment is recognized as an asset if, and only if 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 cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

- i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.



The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

### 1.5 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that these are available for use.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner as prescribed in Schedule II of the Companies Act 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II of the Companies Act 2013 are used:

Computer software costing less than Rs. 1 lakh	100% in the year of purchase
Computer software costing more than Rs. 1 lakh	100% in the year of purchase
(where the useful life is less than or equal to one year) Computer software costing more than Rs. 1 lac (in other cases)	33.33% on SLM
Assets costing less than Rs. 5000	100% in the year of purchase

### 1.6 Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The useful lives of the assets are taken as under:-

#### The useful lives of the assets are taken as under:-

Name of Assets	Useful life as adopted by the company as per Schedule II
Furniture & Fittings	10
Office Equipment	5
Vehicles – Car	8
Computers - Servers and networks	3
Computers – End User Devices	3
Intangible Assets	10

## **1.7 Inventory**

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

Raw materials, Work-in-process and Finished goods - On Weighted average cost basis.

## **1.8 Employee benefits**

As per IndAS-19, all the short term employee benefits such as wages, salaries, contributions/benefits accrued during the year for current employees have been charged as an expenditure to the profit and loss account and the short term employee benefits which were accrued during the year and which have not yet been paid were recorded as outstanding liability on 31st March 2023.

The Company's contributions to Provident Fund, Employees' State Insurance are charged to Profit & Loss Account. Provision made for Gratuity is charged to Profit & Loss Account and which have not yet been paid were recorded as provision as on 31st March 2023.

## **1.9 Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

## **1.10 Contingent Liabilities / Assets**

### **Contingent Liabilities**

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent Liabilities are disclosed in the General Notes forming part of the accounts.

### **Contingent Assets**

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

## **1.11 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### **Current and deferred tax for the year**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## **1.12 Impairment**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, The Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified,

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

### **Impairment of financial assets**

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

### **De-recognition of financial assets**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

### **1.13 Financial instruments**

#### **Non-derivative financial instruments**

Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non derivative financial instruments are measured as described below:

**a) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

- b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

**c) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**d) Trade and other payables**

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

**e) Foreign Currencies Transactions**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

**1.14 Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts. Taking into account the nature of activities of the company, prior period errors are considered material if the items of income / expenditure collectively (net) exceed 0.5% of sales turnover of the company.

**1.15 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**i. Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

**ii. Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements

**iv. Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendments clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements

**v. Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements

**27. Additional Notes to Accounts: Secured Loans and Bank Overdrafts:**

**27. Additional Notes to Accounts: Secured Loans and Bank Overdrafts:**

Name of bank	Balance due (Rs in lakhs)	Secured against
Kotak Mahindra Bank Ltd	2935.39	Property of promoters
HDFC Bank	15.27	Vehicle

\*The above balance represents cheques issued but not presented for payment

**Amount due to Micro, Small and Medium enterprises:**

The Unit identifies the enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprise as at 31st March 2023 has been made in the financial statements (as disclosed in Note No. 16 - Trade Payables) on the basis of information received and available with the Company.

Rs.In Lakhs

S.no	Particulars	As at 31st March 2023	As at 31st March, 2022
1	The Principal amount remaining unpaid to suppliers as at the end of the year	427.34	56.96
2	The amount of interest accrued during the year and remaining unpaid at the end of the year*	-	-
3	The amount of interest paid in terms of section 16, along with the amount of the payment made to the Supplier beyond the appointed day during the year	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

\*No provision for interest is made for balance of MSME vendor outstanding for more than 45days as per the terms mutually agreed by the parties.



**Corporate Social Responsibility & Sustainable Development**

The Company has not spent any amount towards CSR as Company does not attract any of the criteria for applicability of CSR provision as per Section 135 of Companies Act 2013

**Amounts due from an officer of the company**

Particulars	Current year	Previous year
Amount due from an Officer of the company	NIL	NIL

**Value of Raw Materials, Stores and Spares Consumed and Percentage** (Rs. In Lakhs)

Particulars	31st March, 2023		31st March, 2022	
	Percentage	Value	Percentage	Value
<b>a. Raw Materials</b>				
i. Indigenous	100.00	9,748.50	100.00	6,802.31
ii. Imported	-	-	-	-
	<b>100.00</b>	<b>9,748.50</b>	<b>100.00</b>	<b>6,802.31</b>

**28. Financial Instruments- Fair Values and Risk Management**

**a. Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**(Amount in lakhs as of March 31, 2023)**

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Investments (Ref Note No.5)	34.93	22.11		57.04	57.04
Cash & Cash Equivalents (Ref Note No. 7)	307.97	-	-	307.97	307.97
Trade Receivable (Ref Note No.6 )	2038.69	-	-	2038.69	2038.69
Other Financial Assets (Ref Note No.2 )	41.13	-	-	41.13	41.13
<b>Liabilities:</b>					
Trade Payable (Ref Note No.16 )	758.04	-	-	758.04	758.04
Borrowings (Ref Note No 12 & 15)	2950.66	-	-	2950.66	2950.66

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2022:

(Amount in lakhs as of March 31, 2022)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Investments (Ref Note No.5)	41.38	5.03		46.41	46.41
Cash & Cash Equivalents (Ref Note No. 7 )	6.08	-	-	6.08	6.08
Trade Receivable (Ref Note No.6 )	1216.69	-	-	1216.69	1216.69
Other Financial Assets (Ref Note No.2 )	40.66	-	-	40.66	40.66
<b>Liabilities:</b>					
Trade Payable (Ref Note No.16 )	401.21	-	-	401.21	401.21
Borrowings (Ref Note No 12 & 15)	1284.71	-	-	1284.71	1284.71

**b. Fair Value Hierarchy**

- **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- **Level 2** - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

The following tables show assets and liabilities which are measured at amortized cost for which fair values are disclosed:

**(Amount in lakhs as at March 31, 2023)**

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
<b>Financial assets</b>						
Security deposits	-	-	41.13	41.13	-	-
<b>Total financial assets</b>	-	-	<b>41.13</b>	<b>41.13</b>	-	-
<b>Financial Liabilities</b>						
Borrowings	-	-	2950.66	2950.66	-	-
<b>Total financial liabilities</b>	-	-	<b>2950.66</b>	<b>2950.66</b>	-	-

**(Amount in lakhs as at March 31, 2022)**

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
<b>Financial assets</b>						
Security deposits	-	-	40.66	40.66	-	-
<b>Total financial assets</b>	-	-	<b>40.66</b>	<b>40.66</b>	-	-
<b>Financial Liabilities</b>						
Borrowings	-	-	1284.71	1284.71	-	-
<b>Total financial liabilities</b>	-	-	<b>1284.71</b>	<b>1284.71</b>	-	-

**c. Financial risk management**

The company's activities expose it to the following financial risks:

- market risk (see (a));
- credit risk (see (b)); and
- liquidity risk.(see (c)).

The company has not arranged funds that have any interest rate risk.

**a) Market risk**

**(i) Foreign Exchange Risk**

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

**Foreign Currency Exposure**

(Amount In Lakhs)

Particulars	As at 31st March, 2023 USD	As at 31st March, 2022 USD
Trade and Other Receivables	1.31	0.76

**Sensitivity:**

As of March 31, 2023 increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately INR 11.90(in Lakhs) respectively.

**(ii) Price Risk**

The company is not expose to price risk arises out of the investments in equity shares because the company does not hold any investment in equity shares.

**b) Credit Risk**

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs

**Trade Receivables:**

The company has outstanding trade receivables amounting to INR 2038.69 (in lakhs) and INR 1216.69 (in lakhs) as of March 31, 2023 and March 31, 2022 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of Ind AS 109. The company's historical experience for customers, present economic condition and present performance of the customers, future outlook for the industry etc are taken into account for the purposes of expected credit loss.

**Credit risk exposure:**

An analysis of age of trade receivables at each reporting date is summarized as follows:

(As at 31st March 2023, Amount in Rs lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Past due less than 30 days	601.02	-	601.02
Past due more than 30 days but not more than 60 days	492.54	-	492.54
Past due more than 60 days but not more than 90 days	306.57	-	306.57
Past due more than 90 days but not more than 120 days	202.28	-	202.28
Past due more than 120 days	436.28	-	436.28
<b>Total</b>	<b>2038.69</b>	<b>-</b>	<b>2038.69</b>

(As at 31st March 2022, Amount in Rs lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Past due less than 30 days	976.34	-	976.34
Past due more than 30 days but not more than 60 days	102.34	-	102.34
Past due more than 60 days but not more than 90 days	77.51	-	77.51
Past due more than 90 days but not more than 120 days	10.01	-	10.01
Past due more than 120 days	50.49	-	50.49
<b>Total</b>	<b>1216.69</b>	<b>-</b>	<b>1216.69</b>

Trade receivables are generally considered credit impaired after 120 days past due, unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables.

**Financial assets:**

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. There will be no credit risk related to employee loans as they are adjusted against their salaries.

**(c) Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Due to the dynamic nature of underlying businesses, the company maintains flexibility in funding by maintaining availability under committed credit lines.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. The company maintains sufficient balance in cash and cash equivalents to meet short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities.

**(Amount in Rs in lakhs as of March 31, 2023)**

<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Trade Payables	758.03	0.01	-	-	-	758.04
Short term borrowings (cash credit)*	-	2862.33	-	-	-	2862.33
Long term borrowing	-	-	88.33	-	-	88.33
<b>Total</b>	<b>758.03</b>	<b>2862.34</b>	<b>88.33</b>	<b>-</b>	<b>-</b>	<b>3708.70</b>

\*Includes interest accrued on borrowings

**(Amount in Rs in lakhs as of March 31, 2022)**

<b>Particulars</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Trade Payables	401.21	-	-	-	-	401.21
Short term borrowings (cash credit)*	-	1135.60	-	-	-	1135.60
Long term borrowing	-	-	149.11	-	-	149.11
<b>Total</b>	<b>401.21</b>	<b>1135.60</b>	<b>149.11</b>	<b>-</b>	<b>-</b>	<b>1685.92</b>

\*Includes interest accrued on borrowings

## **29. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”**

### **Related Party Disclosures**

#### **A. Key Managerial Personnel (KMP):**

Sri Sanjay Kumar Sanghi - Managing Director

Sri Bajranglal Agarwal - Chief Financial Officer

Ms Shivani Rastogi - Company Secretary (w.e.f 01.07.2021 to 11.05.2023)

#### **B. Non - Executive Directors**

Sri Ritesh Kumar Sanghi

Smt. Bhavana Sanghi

Sri Siddharth Goel- Independent

Sri Ramprasad Vempati- Independent

Sri Sunil Garg- Independent

#### **C. Enterprises in which Key Management Personnel has significant influence**

Sanghi Jewellers Private Limited

Uday Jewellery Industries Limited

**D. Relatives of Key Management Personnel**

Sri Ritesh Kumar Sanghi – Director  
 Smt Bhavna Sanghi – Director  
 Smt Pritha Sanghi  
 Sri Tejas Sanghi - Business Development Head  
 Sri Uday Sanghi

**E. Related Party Transaction** (Rs. In Lakhs)

Particulars	31st March, 2023	31st March, 2022
<b>Sanghi Jewellers Pvt Ltd:</b>		
Purchase (Net of returns)	97,831,216/-	10,78,90,250/-
Sales (Net of returns)	-	(31,47,748)/-
Amount Receivable/(Payable) as on	-	(60,78,373)/-
<b>Uday Jewellery Industries Limited:</b>		
Purchase (Net of returns)	43,41,748/-	-
Sales (Net of returns)	-	1,26,02,332/-
Amount Receivable/(Payable) as on	-	-
<b>Rent paid to KMP and Relatives of KMP</b>	39,60,000/-	39,60,000/-
<b>Salary paid to Relative of KMP</b>	42,00,000/-	22,50,000/-

\*For part of the financial year

**30. Gratuity** (Rs. in lakhs)

No.	Particulars	Balance as on 31/03/2023	Balance as on 31/03/2022
1	Opening Balance	-	-
2	Add: Provision for the Year	11.13	-
3	Less: Paid during the Year	-	-
4	Closing Balance	11.13	-

**31. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 “Earnings Per Share (EPS)”**

**a) Basic EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS and Basic EPS is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings used in calculation of basic earnings per share(A)	355.17	345.87
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	206.42	160.62
Basic EPS(A/B)	1.72	2.15

**b) Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of Diluted EPS is as follows:

(Amount in Rs lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Earnings used in calculation of basic earnings per share(A)	355.17	345.87
Weighted average number of ordinary shares for the purpose of Diluted earnings per share(B)	209.53	188.69
Diluted EPS(A/B)	1.70	1.83

**32. Disclosure in respect of Indian Accounting Standard (Ind AS)-115: “Revenue from Contract with Customers)**

**Transitional Provision**

The company has adopted the new Indian Accounting Standard 115 (Revenue from Contract with Customers) retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings as on 01.04.2018. The company has examined the changes brought in under Ind AS 115 and observed that there has been no impact on the opening retained earnings as at 01.04.2018.

**A. (i) Contracts with customers**

(a) Company has recognized the following revenue during the year from contracts with its customers

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	930,534,825	60,62,86,924
<b>Total</b>	<b>60,62,86,924</b>	<b>60,62,86,924</b>



**NARBADA GEMS AND JEWELLERY LIMITED**

- (b) Company has recognized the following amount as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Impairment Loss	-	-

**(ii) Disaggregation of Revenue**

Particulars	For the year ended March 31, 2023	As % to Total Revenue	For the year ended March 31, 2022	As % to Total Revenue
Pure Gold	2,47,209	0.03%	1,30,64,565	2.15%
Precious Stones	1,02,90,800	1.11%	2,25,704	0.04%
Diamond/Flat Diamond	1,08,68,840	1.17%	-	0%
Studded Gold Jewellery	90,91,27,976	97.70%	59,29,96,655	97.81%
<b>Total</b>	<b>93,05,34,826</b>	<b>100.00%</b>	<b>60,62,86,924</b>	<b>100%</b>

**(iii) Contract Balances Receivables**

Particulars	As at March 31,2023	As at March 31,2022
Opening Balance	12,16,69,396/-	15,07,82,073/-
Addition/deduction during the year	8,21,99,276/-	(2,91,12,677)/-
Closing Balance	203,868,672/-	12,16,69,396/-

**Contract Liabilities**

During the year the advances received are recognised as revenue as and when the goods are delivered to the customer.

**Practical expedients**

During the year company has entered into sales contracts with its customers where some of the part is yet to be executed, same has not been disclosed as per practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

**33. Ratio Analysis**

S. No	Ratio Type	F.Y. 22-23	F.Y. 21-22	% of Change	Reasons/Remarks for variation of 25%
1	Current Asset Ratio	2.13	3.24	-34.03%	Available funds are used to invest in fixed assets, more than 2 is ideal
2	Debt Equity Ratio	0.66	0.35	88.47%	Increased the utilization of debt and is favorable below 1

3	Debt Service Coverage Ratio	3.47	5.62	-38.31%	Increased the utilization of funds, more than 1 is favorable
4	Return on Equity Ratio	8.76%	10.40%	-15.83%	-
5	Inventory Turnover Ratio	1.82	1.70	6.49%	-
6	Trade Receivable Turnover Ratio	5.72	4.45	28.45%	The Collection on accounts receivable has improved
7	Trade Payable Turnover Ratio	14.34	24.90	-42.41%	The payable period from the supplier has increased.
8	Net Capital Turnover Ratio	2.24	1.69	32.62%	The Company has efficiently utilized its working capital.
9	Net Profit Ratio	3.82%	5.70%	-33.09%	Expenditure has increased in order to increase the operation.
10	Return on Capital Employed	7.92%	7.81%	1.45%	-
11	Return on Investment	23.18%	25.91%	-10.55%	-

### 34. Details of Additional Regulatory Information

#### i) Details of immovable properties

(Rs. in Lakhs)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter*/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Unit
PPE	NA	NA	NA	NA	NA	NA

**35. Regrouping:**

In order to have better presentation the previous year's figures have been re-casted/restated/reclassified, wherever necessary, to conform to current year's classification.

**Our Report attached,**

**For ANANT RAO & MALLIK,  
Chartered Accountants,  
FRN:006266S**

**(V ANANT RAO)  
Partner  
Membership No.022644**

**Hyderabad  
Date: 26.05.2023**

**For Narbada Gems and Jewellery Limited.,**

**Sd/-  
Sanjay Kumar Sanghi  
Managing Director  
DIN: 00629693**

**Sd/-  
Ritesh Kumar Sanghi  
Director  
DIN: : 00628033**

**Sd/-  
Bajranglal Agarwal  
Chief Financial Officer**



## 31st ANNUAL GENERAL MEETING

**Day** : Thursday

**Date** : 21st September, 2023

**Time** : 03:30 P.M.

**Mode** : Through Video Conferencing (VC)/  
Other Audio-Visual Means (OAVM).

On [www.evotingindia.com](http://www.evotingindia.com).



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