

Ref: SEC/SE/44/2024-25

Date: 20th August 2024

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| <p>The Manager- Listing</p> <p>The National Stock Exchange of India Limited</p> <p>“Exchange Plaza”, Bandra – Kurla Complex, Bandra (EAST), Mumbai – 400051</p> <p>NSE SYMBOL: SENC0</p> | <p>The Manager – Listing</p> <p>BSE Limited</p> <p>Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001</p> <p>BSE SCRIP CODE: 543936</p> |
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Dear Sir(s)/ Madam(s),

Sub: Submission of the Annual Report & Notice of the 30th Annual General Meeting for the FY 2023-24.

Pursuant to Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose the Annual Report of the Company along with the Notice of the 30th Annual General Meeting scheduled to be held on Friday, the 13th of September 2024 at 11.30 A.M. (IST) at Kala Kunj (within the premises of Kala Mandir), 48 Shakespeare Sarani, Kolkata – 700017.

The Annual Report along with the Notice of the 30th Annual General Meeting is also available on the website of the Company at: <https://sencogoldanddiamonds.com/investor-relations>

We request you to take the above on record.

Yours sincerely,

For SENC0 GOLD LIMITED

Mukund Chandak

Company Secretary & Compliance Officer
Membership No. A20051

Encl: a/a



Senco Gold Limited

CIN No. : L36911WB1994PLC064637

Registered & Corporate Office : “Diamond Prestige”, 41A, A.J.C. Bose Road,
10th Floor, Kolkata-700 017 , Phone : 033 4021 5000 / 5004, Fax No. : 033-4021 5025

Email : contactus@sencogold.co.in Website : www.sencogoldanddiamonds.com

EVERY
ONE'S
ENW
OWNER'S
PRIDE



Senco
SENCO GOLD LIMITED
ANNUAL REPORT
2023-24





"Senco is dedicated to empowering individuals by providing opportunities for personal and professional growth. We offer competitive salaries while also ensuring you gain the qualifications and skills necessary for your role. Our goal is to support your development and help you advance in your career."

Late Shaankar Sen

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Forward looking statement

This document contains statements about expected future events and financial and operating results of Senco Gold Ltd, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of the Senco Gold Ltd Annual Report 2023-24.

Everyone's
ENVY.

Owner's
PRIDE.

At Senco Gold and Diamonds, we ensure that each item is exceptionally unique and desirable.

We also highlight the owner's pride and satisfaction in possessing a distinctive symbol of personal achievement.

Building on this tradition, we aim to create new, outstanding pieces that will continue to make people admire them and bring pride to their owners for years to come.

CORPORATE SNAPSHOT

Senco Gold Limited.

One of the largest organized retail jewellery retailers in Eastern India.

The Company provides a vast array of gold jewellery designs, featuring more than 1,51,000 options, along with a diverse selection of diamond jewellery designs over 85,000.

This exceptional Senco Gold & Diamond jewellery is meticulously crafted by a skilled team of approximately 100 artisans.

The Company has established a presence in Tier-II and Tier-III cities, making its offerings accessible to a wide range of customers.

Our background

Senco Gold and Diamonds is a pan India jewellery retailer having a legacy spanning over 85 years. Established as Senco Gold Private Limited on August 22, 1994, in Kolkata, the Company transitioned to a public limited entity and rebranded as Senco Gold Limited in August 2007 to facilitate growth in the jewellery sector. This transformation followed a Board resolution on June 27, 2007, and a special resolution by shareholders on August 8, 2007, with a new certificate of incorporation issued on August 31, 2007.

Our visionaries

The Company was founded nearly three decades ago by the late Shaankar Sen. It is now led by a fourth-generation entrepreneur. The current promoters include Suvankar Sen, Jai Hanuman Shri Siddhivinayak Trust, and Om Gaan Ganpataye Bajrangbali Trust. As of 31st March, 2024, the promoters collectively held 5,31,89,002 equity shares, which represent 68.45% of the Company's issued, subscribed, and paid-up equity share capital.

Our existence

Senco Gold and Diamonds operates a wide network of self-owned stores across several states including West Bengal, Uttar Pradesh, Odisha, Jharkhand, Karnataka, Maharashtra, and Assam. As of 31st March, 2023-24, the Company had 159 showrooms covering approximately 1,19,405.51 square feet of retail space, spread across 96 cities and towns in 13 states. Additionally, some franchisee showrooms are situated in non-metro tier-I and tier-II locations.

Our contributions

The Company offers an extensive selection of lightweight jewelry, with gold pieces ranging from 1 to 10 grams and diamond pieces under 50 cents. Senco Gold and Diamonds caters to a variety of special occasions with a product portfolio

that includes gold, silver, and diamond items. The Company excels in crafting jewelry using gold and diamonds, often incorporating silver, platinum, precious and semi-precious stones, and other metals. In addition, Senco Gold and Diamonds offers a range of jewelry, gold and silver coins, and silver kitchenware. With a catalog that features over 1,51,000 gold jewelry designs and more than 85,000 diamond jewelry designs, Senco Gold and Diamonds also provides customization services to meet individual customer preferences in design, size, polish, and weight.

Our retailers

The Company's network comprises more than 10 external manufacturers located in Gujarat, Maharashtra, and West Bengal.

These manufacturers bring specialized skills that enhance the Company's ability to provide a wide array of intricate designs.

Our personnel

The Company is known for its dynamism in the industry, driven by expertise in areas such as finance, design, manufacturing, marketing, branding, talent management, and business development. As of 31st March, 2023-24, the Company employed 2,560 people, with an average age of 29.56.

Credit rating

Senco Gold and Diamonds has been rated as second most trusted jewellery brand for the 4th year in a row by TRA and amongst most desired jewellery brand by TRA in 2023 much ahead of most of our peers.

The Company had 136 showrooms covering approximately 409,882 square feet of retail space, spread across 96 cities and towns in 13 states



Over eighty-five years of journey

1938-1994

The Humble Beginning Shri M C Sen started the jewellery business in Dhaka and shifted to Kolkata during partition. His son Shri P C Sen inherited the family business in 1968.

2000

Franchisee Model-Opened first franchisee showroom in Durgapur, West Bengal.

2000-2007

Largest showroom with an area of 8,000 sq. ft. launched in Kolkata.

Mr. Suvankar Sen joined the family business as 4th generation entrepreneur after competing his studies in 2007.

2010-2012

Adopted franchisee route to expand outside West Bengal by opening first showroom in Assam.

Opened first showroom in Jharkhand under franchisee model.

2013

Investment from Marquee Pe Investor entered northern region by opening showroom in Delhi.

2014

Revenue crossed Rs. 10 billion.

2015

Raises Rs. 800 million equity from SAIF Partners India IV limited. (now Elevation Capital) Entered Bihar, Maharashtra & Uttar Pradesh.

2016

Entered southern region by opening showroom in Bangalore. Introduced Everlite brand.

2017

Total number of showrooms cross 80.

2018

Revenue crossed Rs. 20 billion.

2019

2nd most trusted brand.

Received the Best Promising Gems and Jewellery Brand award.

2020

Crossed 100 showroom mark.

2022

Raises Rs. 750 million equity from OIJIF II.

2023

Listed on NSE & BSE

Launched 136 showrooms
Awarded 2nd most trusted jewellery brand by TRA.

2024

Crossed 159+ mark.

Entry into Deloitte list of top 100 global Luxury brands.

Senco Gold and Diamonds becomes first Indian jewellery brand to join Open network for digital commerce network (ONDC).

Senco Gold and Diamonds has been rated as second most trusted jewellery brand for the 4th year in a row by TRA.

Launch of Sennes an House of Senco - It offers luxury lifestyle products and jewelleryes including leather bags and labgrown diamonds.

Introduction of digital platform like digi gold and digi silver for purchase of gold and silver starting as low as Rs 375.

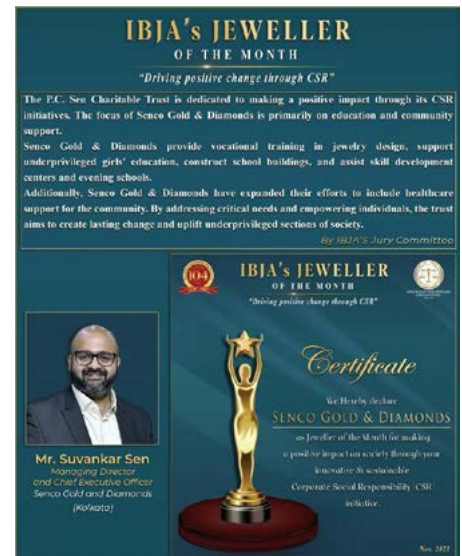
Senco Gold and Diamonds make its first foray into Dubai market.

Strong brand name with rich heritage and legacy

- BIS Hallmarking of Gold Jewellery since 2012
- Run by 4th generation professional entrepreneur as Promoter with PE investment from Elevation Capital (SAIF Partners India IV Limited) 2014
- Oman India Joint Investment Fund II-2022
- Over 2 million Loyal customers
- SGL and GEMEX certifications, hallmarked & HUID Jewelleries and attractive replacement and exchange policies
- Reputed brand ambassadors like Kiara Advani, Sourav Ganguly, Vidya Balan etc.

Awards

- Jeweller of the month By IBJA's Jury Committee
- 2nd Most Trusted Jewellery Brand by TRA's Brand Trust Report 2023
- 2nd Most Desired Jewellery Brand in India by TRA
- Excellence in Design Innovation in Gold & Diamonds by Jagran Achievers 2023



Our financial performance over the years

Revenue from operations

(Rs. in Cr)

| | |
|------|---------|
| FY24 | 5241.44 |
| FY23 | 4077.40 |
| FY22 | 3534.64 |
| FY21 | 2660.38 |

Meaning

Sales refer to the monetary transactions of a company that directly affect profitability; here sales include cash and credit sales.

Importance

It provides an understanding of the growth and revenue generation of the Company.

Performance

The Company reported a record Rs. 5,241.44 Cr of sales in FY 2023-24, a growth of 28.55% over the previous year.

EBITDA

(Rs. in Cr)

| | |
|------|--------|
| FY24 | 375.51 |
| FY23 | 316.62 |
| FY22 | 277.18 |
| FY21 | 175.32 |

Meaning

EBITDA is an acronym that refers to the earnings of a company before interest, tax and amortization expenses are deducted.

Importance

Investors use EBITDA as an indicator to measure the profitability and efficiency of a company that can be compared with similar companies.

Performance

The Company has reported a record Rs. 375.51 Cr EBITDA in FY 2023-24, a growth of 18.60% over the previous year.

PAT

(Rs. in Cr)

| | |
|------|--------|
| FY24 | 181.00 |
| FY23 | 158.48 |
| FY22 | 129.10 |
| FY21 | 61.48 |

Meaning

The amount left over after a company has paid all its operating and non-operating expenditures, other liabilities and taxes.

Importance

Profit after tax shows the actual surplus that a company has reported in an operating year.

Performance

The Company reported a record Rs. 181 Cr of PAT in FY 2023-24, a growth of 14.21% over the previous year.

Franchise stores

(Number)

| | |
|------|----|
| FY24 | 66 |
| FY23 | 61 |
| FY22 | 57 |
| FY21 | 52 |

Meaning

The number of franchise stores is the number of stores not owned by the Company but by external partners.

Importance

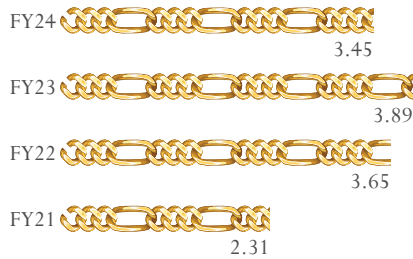
The increase in franchise stores provides the Company with an asset-light revenue growth platform.

Performance

The Company increased 5 franchise stores in FY 2023-24, creating a larger growth platform for the future.

Net profit margin

(%)



Meaning

Net Profit Margin (also referred to as 'Profit Margin' or 'Net Profit Margin Ratio') is a financial ratio to calculate the percentage of profit a company generates from total revenue.

Importance

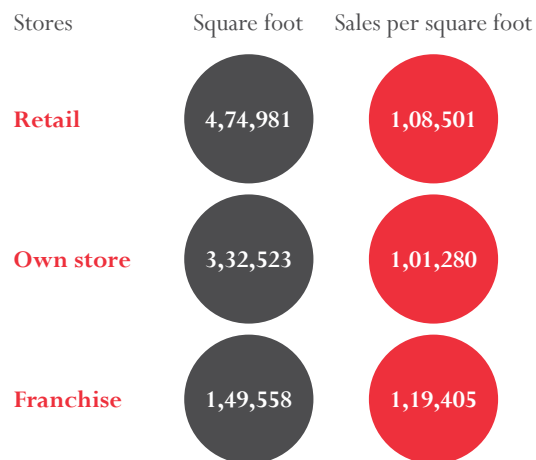
It measures the amount of net profit a company obtains per rupee of revenue generated.

Performance

The Company reported 11.15% decline in net profit margin in FY 2023-24.

Secondary sales per square foot

(in Rs)



Meaning

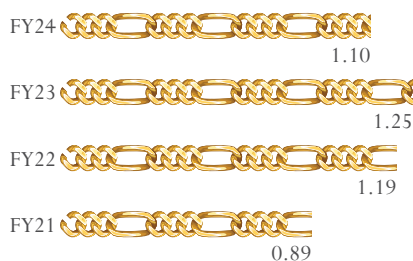
Sales per square foot is the average revenue derived from a unit of sales space, the basic measure of profitability.

Importance

Calculating sales per square feet allows the Company to determine the productivity of the sales infrastructure (owned or franchised).

Debt-equity ratio

(X)



Meaning

The debt-to-equity ratio calculates the total debt and financial liabilities against total shareholders' equity.

Importance

This ratio highlights how a company's capital structure is tilted toward debt or equity financing.

Performance

The Company reported a debt-to equity ratio of 1.10x in FY 2023-24.

Interest coverage ratio

(X)



Meaning

The interest coverage ratio is used to determine how well a company can pay interest on its outstanding debt.

Importance

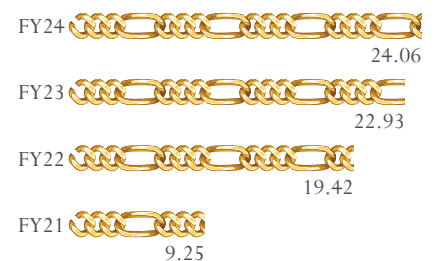
The interest coverage ratio is used by lenders, creditors, and investors to determine the riskiness in lending to a company.

Performance

The Company reported 3.5 x interest coverage ratio for FY 2023- 24.

Earnings per share

(in Rs)



Meaning

Earnings per share is a financial ratio, which divides net earnings available to common shareholders by the average outstanding shares over a certain period.

Importance

The earnings per share indicates a company's ability to generate net profit for common shareholders.

Performance

The Company reported Rs. 24.06 earnings per share for FY 2023-24, which was 4.89% higher than the previous year.

CHAIRPERSON'S MESSAGE

Senco Gold and Diamonds is at the cusp of attractive growth by the virtue of being one of India's most loved jewellery brands addressing the world's largest

population cluster

Overview

At Senco Gold and Diamonds, with our heritage and cultural background, our principal objective is to make trendy, fashionable, handcrafted jewellery available, accessible, and affordable for the common customers across India.

In doing so, we expect to fulfill customer lifestyle needs through a delight-enhancing engagement that transforms a one-off transaction not an ongoing relationship. We are already doing so through localized and creative designs in line with global trends and choices.

We are extending from the traditional format of engagement across the counter to digital and online engagement where our products can only be seen but not

touched. Even as this was done to enhance convenience of display and purchase, the fact that our online revenues (as a proportion of our total revenues) are rising indicates that our brand promise is credible.

One of the most creditable achievements of our company during the few years has been our proactive investment in technology. The sweep of technology at our company has been extensive as much as it has been intensive; it has been directed to strengthen operating processes at the backend resulting in the delivery of light weight jewellery around the highest quality standards; at the front-end our investment in technology has deepened customer convenience, access and transaction.



Ranjana Sen
Chairperson

The technology-driven approach has helped the Company re-shuffle and re-distribute stock interstate and intra-state; it is being used as an analytics-based program for forecasting, planning and efficiency; it has (through ERP) helped integrate all critical business operations in exchange for real-time control and visibility; it has (through augmented reality) empowered a virtual try on of ornaments; its Customer 3600 insights increases the role of targeted marketing; its Digi Gold represents a platform to transact gold while its Digi Silver is the first silver holding platform.

These proactive technology investments have translated into superior product quality and service. More importantly, it has generated for the Company widespread respect. Senco Gold and Diamonds was recognized as India's 2nd Most Trusted Brand by TRA Research Pvt. Ltd. The Company won Excellence in Design Innovation in Gold & Diamond by Jagran Achiever Awards 2023. Besides, the Director-Marketing Ms Joita Sen was recognized as ET Inspiring Women Leaders 2023 By ET Women's Conclave 2023 and New Powerful Women Entrepreneur Award by Jagran Achiever Awards 2023; the Managing Director Suvankar Sen was recognized as The Rising Star, 40 Under 40 Award by IIJS Premiere 2023 and Gem & Jewellery Export Promotion Council.

Senco Gold and Diamonds also entered Deloitte's Global Powers of Luxury Goods rankings that list the top 100 luxury brands worldwide. India's jewellery sales soared 32.8% in 2022, propelling Senco Gold into Deloitte's Global Powers of Luxury Goods rankings, according to a report by the consulting firm.

I am confident that the Company is at the cusp of attractive growth by the virtue of being one of India's most loved jewellery brands addressing the largest population cluster in the world.

Our future starts now.

Ranjana Sen
Chairperson





STRATEGIC OVERVIEW BY THE MANAGING DIRECTOR

Senco Gold and Diamonds will represent the modern face of a conventional sector, enhancing stakeholder value

Overview

I am pleased to present the maiden performance of the Company following the milestone of the initial public offer in 2023.

In July 2023, the Rs. 405 Cr initial public offer (IPO) of Senco Gold and Diamonds was oversubscribed on the second day of the bidding process.

I am pleased that Senco Gold Ltd. vindicated the trust of stakeholders by reporting attractive growth in 2023-24.

The fact that the Company reported revenue cum profit growth in the face of rising gold prices – this made our end products costlier and should have hypothetically moderated offtake – validates the robustness of our governance.

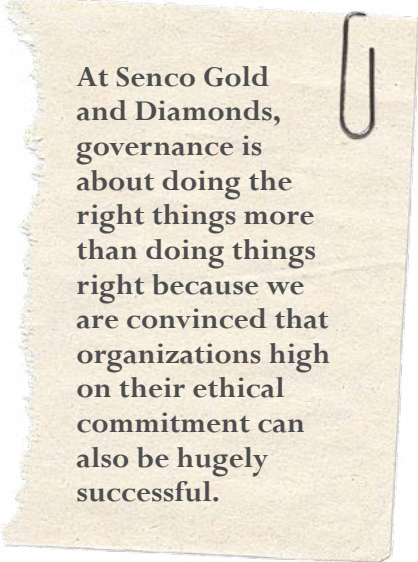
At Senco Gold and Diamonds, governance is about doing the right things more than doing things right because we are convinced that organizations high on their ethical commitment can also be sustainably successful.

At Senco Gold and Diamonds, we believe that a narrow field of competence is possibly the biggest insurance against market shakeouts and industry attrition. In view of this, we have selected to focus on the branded jewellery and adjacent sector; we seek to enhance the lifestyle of customers.

This is the vision with which we went into business: not necessarily to be the largest in the branded jewellery sector at any cost but to be counted as one of the best; not to be a company driven by the quantity of our revenues as much to be a company identified by respect.

At Senco Gold and Diamonds, we believe that business predictability is derived from an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers. When faced with an accounting treatment that requires interpretation, we would rather take a conservative view.

At Senco Gold and Diamonds, the one word that we placed at the center of our business model was 'integrity'. We



At Senco Gold and Diamonds, governance is about doing the right things more than doing things right because we are convinced that organizations high on their ethical commitment can also be hugely successful.



Suvankar Sen
Managing Director & CEO

resolved that when stakeholders referred to us, they would do so with a sense of respect; when one asked about what kind of company we were in the jewellery sector, the principal recall would be that of trust and the assurance that what we provided was completely pure.

At Senco Gold and Diamonds, this ethical respect is the result of life clarity. Over the years, this commitment has manifested in various ways: our gender respect, zero tolerance for sexual harassment, impatience with ethical transgressions, commitment to recruitment without prejudice and appraisal without partialness, respect for the dignity of people and the integrity of the environment.

At Senco Gold and Diamonds, we believe that the stability of our eco-system is derived from the coming together of the value systems of our various stakeholders. By being on the same ethical page, we have been able to leverage associations – with craftsman, employee, debt providers, shareholders and the government - effectively and grow our company faster.

At Senco Gold and Diamonds, we believe that business sustainability is best derived from controlled growth. The Company allocated accruals into business growth without stretching the Balance Sheet. It remained liquid, profitable and focused on improved capital efficiency.

At Senco Gold and Diamonds, we believe that the success of our strategic direction is largely influenced by our Board of Directors. We place a premium on our Board composition, comprising achievers of standing who enrich our values, business understanding and strategic direction.

At Senco Gold and Diamonds, we balance the past and the future. We draw from a skilled heritage of the centuries coupled with forward-looking design contemporization and innovation. The Company's commitment to customer-centricity has been reinforced through the launch of compelling new collections, addressing diverse consumer preferences. The Company offers customers a variety of product choices beyond gold (to diamond jewellery), catering to new demographics.



The Company made a decisive extension to its product mix through the introduction of Sennes, a sub-brand, that will offer jewellery accessories in line with premium lifestyles. This will deepen our recall for offering more than just standalone products but providing consumers with an enhanced consumer experience.

The Company emerged as the first Indian jewellery brand to join the Open Network for Digital Commerce (ONDC), which enhanced customer convenience in accessing the brand product line across online platforms.

The Company launched India’s ‘first virtual jewellery showroom’ on Metaverse (‘Sencoverse’) in September 2023, offering an immersive customer experience.

The Company deepened its positioning as a credible employer, recognized as a Best Place to Work, a testament to the trust of more than 2,560 employees. The positive work environment translated into enhanced employee productivity and superior service.

I am pleased to communicate that these developments validated Senco Gold and Diamonds’s commitment to anticipate, comprehend and exceed customer expectations.

I have often compared Senco Gold and Diamonds to an orchestra. Strong governance establishes the opening movement, clear and steady. Employee development builds the crescendo, cultivating talent and motivation. Innovation introduces contrasting melodies, enhancing music freshness. CSR initiatives provide a counterpoint,

fostering a positive social impact. Preserving heritage adds timeless notes to the composition. Captivating collections act as captivating solos, drawing the audience in. Customer-centric campaigns, like the conductor, guide everything towards resonance.

Going ahead, Senco Gold and Diamonds seeks to not just keep pace with the India growth story, but to consistently outperform. The brand will bridge the gap between its rich heritage and the evolving tastes of modern India. A user-friendly online experience through a mobile app will address the nation’s tech-savvy consuming audience. Unique modern designs will address the need for differentiated and personalized jewellery. Our showrooms will be strategically expanded pan-India, penetrating new markets.

At Senco Gold and Diamonds, sustainability will remain a core value,

marked by sensitized societal engagement, responsible sourcing and eco-friendly practices. The Company is an equal opportunity employer, committed to workplace diversity, champion of inclusivity with active support for the LGBTQ+ community.

In the last 15 years, the Company reported 30x growth, graduated from the unorganized to organized, invested modern systems, embraced advanced technologies and appointed the most respected auditors.

Across the coming years, the Company will continue to embrace these practices, processes and priorities, deepening its respect as a responsible corporate citizen and enhancing stakeholder value.

Suvankar Sen
Managing Director & CEO

The Company continued to balance its presence between large cities and smaller towns. The Company continued to focus on East and North India with a limited presence in South and West India.



Receiving Sanmarg Business Award

Initiatives of our Human Assets function

The Company has a KPI-based and data-driven performance evaluation process. It implemented Time and Motion-based productivity analysis

Inclusion of parents in Mediclaim Coverage:

Self+Spouse+Children+Parents(All critical ailment)

Online / Offline Treatment: Treatment for employees & their families

Inclusion of specially-abled and LGBTQ employees within the organization

Accidental Insurance coverage

Evaluation based Training and Development Program

Time Bound Growth Plan: A career development programme which sets a level wise professional development for the employees.

Doctor's Talk and Medical Camp:

Session with Doctors for Preventive measures along with comprehensive medical camps for corrective measures.

Our Koshish, Our Care: Empanelled Psychiatrist, Annual Cricket tournament, Badminton tournament, Football tournament and daily fitness activities at HO.

Scholarship and Gift policy:

Scholarships for employees' high-achieving children as well as Gift & Rewards for marriage and newborn

Recognition for Passion & Creativity:

Recognizing the hidden gems within our team at Senco's Got Talent program and celebrate their exceptional talents with exclusive badges.

Happy and Enlightening Moments:

Emotional Skill upliftment for Internal wellbeing, Relation wellbeing, Coping with stress & anxiety and fear and remaining focused with purpose.

Earning Great Place to Work Badges consecutively two years - 2023 and 2024

At Senco Gold Limited, we pride ourselves on creating an exceptional work environment, a commitment recognized with the Great Place to Work badges in both 2023 and 2024. Our Human Assets Department continuously innovates with a KPI-based, data-driven approach to performance evaluation and Time and Motion productivity analysis to enhance efficiency. We promote inclusivity by integrating specially-abled and LGBTQ employees and support career growth through our Time Bound Growth Plan. With comprehensive benefits, wellness initiatives, tailored training programs, and vibrant community activities, we are dedicated to fostering both personal and professional development for our team.

Here's a look at how we prioritize and care for our team:

Great Place to Work Badges: Earned in 2023 and 2024

Performance Evaluation: KPI-based, data-driven approach

Productivity Analysis: Time and Motion analysis for efficiency

Inclusivity: Integrating specially-abled and LGBTQ employees

Career Progression: Time Bound Growth Plan

Benefits:

Mediclaim for employees, spouses, children, and parents

Accidental insurance

Employee Wellness:

Doctor's Talks and medical camps

Flexible treatment options

Training Programs: Tailored for growth

Community Initiatives:

- Annual sports tournaments and daily fitness activities
- Reward & Recognition program
- Scholarships for employees' children
- Marriage and New Born Gift
- Senco's Got Talent program
- Employee of the Month & Birthday Celebration
- Inspirational Day Celebration
- Retail Day Celebration
- Creative Day Celebration
- All Festivities Celebration

BUSINESS REVIEW

Chief Financial Officer's statement



I am pleased to present a comprehensive overview of our financial performance for fiscal 2024 (the year) reflecting our passion for growth and sustained profitability. We achieved highest ever showroom expansion, impressive revenue growth, robust financial performance, and highest ever PAT in our history.

Successful IPO and listing

The most important landmark for our company was a successful IPO and listing on NSE and BSE, reflecting the faith and trust of investors and charting a path for future opportunities. We listed our shares at NSE and BSE, recording an over-subscription of 72x overall and 182x in the institutional category. Out of total IPO mobilization of Rs. 405 Cr, Rs. 270 Cr was account of primary investors and Rs. 135 Cr account of secondary investors towards OFS of existing shareholder (SAIF Partners, who fully exited following the IPO). Net of IPO expenses and a proportionate reimbursement by SAIF, there was a net capital inflow of Rs. 248 Cr, which was used towards working capital needs of the existing and new showrooms. This listing marks a significant



The most important landmark for our company was a successful IPO and listing on NSE and BSE, reflecting the faith and trust of investors and charting a path for future opportunities.



achievement in our journey, reflecting the confidence of our investors, partners, and customers.

Gold price volatility and risk management

Gold prices continued to be volatile through the year under review and rose by about 17% on account of caused by increased gold buying by central banks, heightened geopolitical tensions and high FED rates. In the global market, gold rates rose from USD 1,960/Oz to USD 2,234/Oz, with an 8% increase from USD 2,051/Oz to USD 2,253/Oz in Q4. This led to domestic gold prices surging to all-time high of Rs. 67,670/10 grams in March 2024 compared to Rs. 57,650/10 grams in March 2023. The Company consistently calibrated its hedging policies and practices to mitigate the impact of price volatility on profitability; efforts in ethical sourcing not only strengthened the brand but also ensured a reliable supply chain.

Subsidiary performance

Senco Gold and Diamonds comprized two wholly owned subsidiaries, namely Senco Gold Artisanhip Pvt Ltd (SGAPL) in India and Senco Global Jewellery Trading LLC (SGJTL) at Dubai (UAE). SGAPL is a strategic initiative for in-house capacity building in manufacturing prowess and innovative capability. During the year under review SGAPL achieved a topline of Rs. 44.5 Cr as mix of sale of jewellery to Senco and job work income. SGJTL achieved local B2B sales of Rs. 30.7 Cr in the first few months of operations. By expanding our footprint into UAE market, a gateway to Europe, by leveraging cutting-edge technologies and exploring international partnerships, we aim to capitalize on global opportunities that will enhance our global presence.

Financial performance

Revenue Growth: We achieved a revenue growth of 28.5% YoY and same-store sales growth (SSSG) of 19%. This included ~64% of revenues from the Company's stores, ~31% from franchisees stores; and the rest from e-commerce,

exports, corporate sales and digital gold offtake. Revenue from exports improved from Rs. 69.8 Cr to Rs. 207.9 Cr. Our overall stud ratio consistently improved to 11.4% compared to the previous year's 10.4%. The Company's own showrooms achieved a stud ratio level of 13.1%, up from 12.0% in the previous year.

Profitability and liquidity: In absolute terms, our gross margin (sales less cost of goods sold) grew by 22.3% to Rs. 801.4 Cr, while in percentage terms it was marginally lower due to competitive intensity and entry into new geographies. Our continuous improvement programs engaged employees at all levels, business associates, karigars and stakeholders to contribute ideas towards cost savings and process optimization. We have maintained control on operating expenses due to operating leverage ; and maintained our EBITDA margin around 7.2%. We controlled our finance costs and improved our blended rate of interest to 5.7%. Profit after tax (PAT) increased by 14.2% from Rs. 158.5 Cr to Rs. 181.5 Cr. Liquidity remained comfortable with a healthy cash flow from operations (on considering gold metal loan as a part of operating cash flow in line with other listed jewellery retailer) relative to the debt servicing obligation and availability of adequate working capital limits from consortium bankers.

Leverage and working capital management: Our capital allocation decisions for expansion into new geographies were guided by financial analysis, ensuring investments were directed towards high-return projects that aligned with our strategic goals while recognizing inherent challenges of growth outside East India. Our borrowings are primarily for short-term working capital requirements with a major part (61%) in the form of Gold Metal loan (GML) with a lower interest rate of 3.1%, Interest coverage ratio was range-bound from 3.7x in the previous year to 3.5x last year. Total borrowings increased YoY from Rs. 1,179.3 Cr to Rs 1,498.3 Cr on account of enhanced inventory for existing and new showrooms.

The inventory mainly comprized jewelleryes, increasing from Rs. 1,885.5 Cr to Rs 2,457.0 Cr due to new showrooms addition, higher inventory at existing stores and a substantial increase in gold prices.

The Company's net worth improved from Rs. 945.5 Cr to Rs 1,365.5 Cr, while Return on Equity (ROE) of 15.7% was against 19.0% in the previous year on account of IPO funds infusion and showrooms roll-out at a faster pace which will yield a mature ROE in 3 to 4 years. The debt-equity ratio improved to 1.1 and net debt to equity was at 0.7 level. The total outside liability to tangible net worth (TOL/ TNW) improved from 1.7x to 1.4x. The stability in solvency ratios led to an upgradation in credit rating by ICRA for fund-based working capital facilities to (ICRA) A2+ with 'Stable' outlook for short-term and (ICRA) A for long-term working capital facilities.

Outlook

The Company will continue to work efficiently to enhance profitability through sustained financial management practices, prudent capital allocation and higher GML proportion to reduce blended interest costs. We are confident that the IPO and listing will not only strengthen our financial foundation but also positions us to accelerate strategic initiatives, drive innovation, and create long-term value for stakeholders. The Indian jewellery market continues to evolve and we are future-ready to capitalize on emerging opportunities. The Company's focus on innovation, efficiency and customer-centricity will drive our growth translating into a sustainable value creation for all shareholders.

Sanjay Banka
Chief Financial Officer

Awards and accolades

Suvankar Sen, MD & CEO receiving awards



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GOLD & DIAMONDS

Congratulations
Mr. Suvankar Sen
MD & CEO
Senco Gold & Diamonds
Times 40 Under 40
Summit North Award

sencogoldanddiamonds.com



SENCO
GOLD & DIAMONDS

Congratulations
Mr. Suvankar Sen
(MD and CEO)
Award for Business Excellence

www.sencogoldanddiamonds.com



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GOLD & DIAMONDS

PROUD MOMENT
FOR US

SUVANKAR SEN
MANAGING DIRECTOR AND CEO
SENCO GOLD AND DIAMONDS

WINS PRESTIGIOUS
CMA AWARD 2022
FOR
BUSINESS EXCELLENCE

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Congratulation
Sera Bangali- Uddyogkhetra
Sri Suvankar Sen

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Joita Sen, Director and Head of Marketing and Design receiving awards



BUSINESS REVIEW

Chief Operating Officer's statement



Whatever the Company achieved during the past financial year is likely to be sustained during the current financial year, leading to sustained outperformance

A review of the business by the Chief Operating Officer

Senco Gold and Diamonds delivered a commendable financial performance in fiscal year 2023-24. The Company delivered 28% revenue growth, which was nearly four times the growth of the Indian economy. This outperformance was the result of a growth in volume and value across both our segments (gold and diamond jewellery). The Company's gold volumes rose 13%, while its diamond volumes increased 19% (despite rising gold prices, which normally makes purchases more expensive and moderates offtake). This growth across segments validated our conviction that Senco provides a differentiated value proposition to consumers across all ages.

At Senco Gold and Diamonds, the objective is to generate more from given resources. We believe that this form of growth is value accretive. During the year under review, the Company generated 19% more revenues from its existing stores. This indicates that the Company's product mix and promotions translated into a higher profitability for the Company's franchisees and own stores, enhancing their return on employed capital. We believe this number to represent the heart of our operations; the more fundamentally profitable our stores become, the greater the willingness of more franchisees to step in, the greater the platform for sustainable revenues and the wider the possibility of asset-light growth. The ability of the Company to generate positive same store sales growth (SSSG) for the year running was a validation that our approach remained holistically value-enhancing at all levels.

The Company opened 23 showrooms during the year under review. This was not just a validation of the positive value our distribution model; this provides us with the platform to grow our business across the foreseeable future. The result is that during the last financial year, our company did not merely address the business needs of the moment; it also seeded the business for its next round of growth. Permit me to provide a perspective of the extent of seeding during the last financial year: the 23 showrooms the Company commissioned during the last financial year were 17% of the its showroom scale at the end of FY 2022-23; 28% of these showrooms were franchisee owned (hence asset-light for our business); 40% of these showrooms were in semi-urban or Tier-2 and Tier-3 locations, which means that we were not just focused on enhancing our presence in competitive spaces but focused on extending our value proposition in relatively unorganized micro-markets.

The Company's outperformance during the year under review can be attributed to the following factors:

Effective marketing: Senco Gold and Diamond's marketing initiatives were woven around the youth, festivals and landmark life events (marriages), enhancing their relevance and offtake

Successful product launches: Senco Gold and Diamonds continued to launch new products and collections; this sustained brand excitement translated into footfalls and offtake

Operational execution: Senco Gold and Diamonds continued to exercise a tight control on operational practices, squeezing incremental margins from the system

These achievements underscore a reality that Senco Gold and Diamonds is becoming stronger across all areas of its operations; that it is demonstrating the power of organized retail; that it is bringing the power of scale and economies to its business; that it is providing the consumer with an extensive choice; that it possesses a robust brand platform to extend into new markets; that its access to growth capital ensures that it can scale its gold procurement at timely junctures; that its commitment to innovation will keep creating new revenue waves; that its validated business model is primed for scalable and profitable growth.

There are two growth possibilities for the Company.

One, we see a wider international presence for the Company, initially in geographies marked by Indian expatriates where the brand recall has been favourably established.

Two, we see a possibility of extending into premium lifestyle accessories like a luxury leather bag collection (brand Sennes).

In view of this, we see the Company emerging as a wider geographic play on the one hand and a deeper lifestyle play on the other, with virtually no limit on the kind of growth we can generate in each.

The extent of our success will be influenced by our managerial bandwidth and brand management capability; I am confident that the management created scalable operating platforms that should transform into enhanced value across the foreseeable future.

We are optimistic of the Company's growth during the current financial year for the following reasons.

One, the stores that we commissioned during FY 2022-23 (09 nos.) should mature during the current financial year, generating an attractive revenue upside in FY 25.

Two, the investments that we made in enhanced technologies and processes should translate into margin upsides.

Three, the Company's prudent brand investments should enhance visibility and store footfalls, strengthening offtake.

Four, the Company's governance focus will be sustained, strengthening its image as a responsible corporate citizen.

Even as rising competition and increased gold prices present challenges, agility and flexibility should deep our competitive positioning.

Whatever the Company achieved during the past financial year is likely to be sustained during the current financial year. This is likely to lead to outperformance and value creation for our shareholders.

Sanjay Banerjee
Chief Operating Officer

Situated in Bengal, the core of India's jewellery craftsmanship, Senco Gold and Diamonds draws on a centuries-old tradition of artistry.

Framework

Our headquarters' location in Kolkata provides us rich insights into the local ecosystem, key players, skills, and costs. The karigars of the jewellery industry are all from West Bengal and spread across the country. This base allows us to craft intricate designs that honour the essence of traditional jewellery across different cultures and regions of India.

Wide range selection

The Company offers a wide range of lightweight jewellery, including gold pieces from 1 to 10 grams and diamonds under 50 cents. Senco's diverse portfolio includes gold, silver, and diamond jewellery for various occasions. Specializing in gold and diamond creations, the Company also incorporates silver, platinum, and precious stones. Additionally, Senco provides gold and silver coins and silver kitchenware.

Senco has played a key role in conceptualizing and launching several brands, such as Gossip, which addresses young customers with its silver and costume jewellery, D'Signia showrooms for a high-end fine jewellery experience, and Everlite, offering a diverse range of affordable fine jewellery designs. The Company led the launch of the luxury brand Sennes, featuring a distinctive range of lab-grown jewellery and elegant leather bags.

Senco Gold and Diamonds has distinguished itself by delivering unique designs that combine aesthetics, affordability, accessibility, and availability, offering a superior price-to-value ratio. Senco also offers customization services to tailor designs, sizes, finishes, and weights around individual customer preferences.

Validation

As an acknowledgment of our excellence, Senco received numerous prestigious awards like Fabulous Jewellers award by ET Edge (2021), Symbol of Excellence at the ET Iconic Brands of India awards (2017), Best CSR campaign for Wear Your Pride by CMO Asia (2022) and Social Media Campaign of the Year award for Bangle Utsav in Retail Jeweller India Awards (2019). We have been listed as the 2nd most trusted jewellery brand of India for the fourth consecutive year by TRA.

As we progress, we will build on our heritage and expertise to deliver innovative jewellery to our customers, strengthening our brand, visibility and profitability.

Joita Sen

Director and Head of Marketing and Design

Self-accomplishments

Ms. Joita Sen, has led impactful initiatives at Senco Gold & Diamonds, promoting women empowerment, gender diversity, and LGBTQ+ inclusion. Her accolades include the Young Leader Award by Retail Jeweller India (2023) and the ET Inspiring Women Leader-2023 award. She was honoured with the XIA Global Award 2023 for Excellence in Women Leadership & Entrepreneurship by St. Xavier's College, recognizing her contributions to sustainable infrastructure. Featured in top publications like Brides Today and Femina, Ms. Joita Sen's award-winning campaigns comprise Wear Your Pride-2022 and Bangle Utsav 2022.



Joita Sen
Director and Head of Marketing and Design

Senco's IPO success story

Senco was in the midst of raising Rs. 405 Cr from the stock market and its IPO was fully subscribed on Day 2 of the bidding process. It plans to use the proceeds to ramp up its store count and for working capital requirements.

On Day 1, Senco Gold's initial public offering (IPO) attracted a solid 69% subscription. By the following day, interest surged, with the IPO being subscribed 2.68 times overall. In particular, the retail individual investors (RIIs) segment saw a robust 3.67 times subscription, while the non-institutional investors category

was subscribed 3.58 times. However, the qualified institutional buyers (QIBs) quota received a more modest subscription of 27%.

In the grey market, Senco Gold's shares are reportedly trading at a 35% premium over the upper end of the price band, reflecting strong investor confidence.

The IPO consists of a fresh issue of equity shares worth Rs. 270 Cr and an offer-for-sale (OFS) of equity shares worth Rs. 135 Cr by SAIF Partners India IV Ltd. SAIF Partners, which acquired a 19.23% stake in Senco Gold in 2014 for Rs. 80 Cr, is divesting part of its holding through this offer.





Senco Gold IPO success meet, Kolkata



Events



Media coverage



সেনকো গোল্ড অ্যান্ড ডায়মন্ডস - এর সহযোগিতায় গ্যালারি গোল্ডে ছবি ও আর্দ্য প্রদর্শনী 'স্ট্রোকস অ্যান্ড স্ক্রিন্ডস'। উদ্বোধনে সহায়করা উপস্থিত। ছবি: সৈয়দ হুমায়ুন কবীর



Gold shines on debut on bourses and finish at premium of nearly 28 per cent

positive performance on the opening day resulted in its market capitalisation standing at Rs 3,144



কো গোল্ড অ্যান্ড ডায়মন্ডস সহকারী অধীক্ষক 'গ্যালারি গোল্ড' -এ চলাচ্ছে সপ্তম প্রদর্শনী। শোশালিকি নাম, 'স্ট্রোকস অ্যান্ড স্ক্রিন্ডস'। সেখানে উর্দু চিত্রশিল্পীদের তুলে ধরা হয়েছে। শুক্রবার এর সূচনা হল। চলবে ১৯ ডিসেম্বর, রবিবার ৪। অনুষ্ঠানে উপস্থিত ছিলেন সেনকো গোল্ডের কর্ণধার শুভ্রসেন, গ্যালারি ডার প্যাট্রন জয়িতা সেন, চিত্রশিল্পী শুভাশ্রয় প্রমুখ।



তাদের হাত ধরেও ব্যবসায় আসছে সাফল্য, দাবি মহিলা উদ্যোগপতিদের

মহিলা উদ্যোগপতিদের হাত ধরেও ব্যবসায় আসছে সাফল্য, দাবি মহিলা উদ্যোগপতিদের।

সেনকো গোল্ড অ্যান্ড ডায়মন্ডস - এর নয়া শোরুম বেলঘরিয়ায়

উত্তর ২৪ পরগণার বেলঘরিয়াতে নতুন এভারলাইট এক্সক্লুসিভ শোরুম খুলল সেনকো গোল্ড অ্যান্ড ডায়মন্ডস। এই নিয়ে দেশে ১৪৭টি স্টোর হল সংস্থার। শোকসমিতি উদ্বোধন করেন সেনকো গোল্ড অ্যান্ড ডায়মন্ডসের ব্র্যান্ড অ্যাগাসাডর, অভিনেত্রী মধুমিতা সরকার। ছিলেন সংস্থার ডিরেক্টর এবং ডিজাইন অ্যান্ড মার্কেটিং বিভাগের প্রধান জয়িতা সেন।

হালকা ওজনের এবং সাস্রয়ী মূল্যের প্রোডাক্টগুলির বৃহৎ সম্ভার মিলবে এভারলাইট কালেকশনে। এই প্রসঙ্গে জয়িতা সেন বলেন, 'গ্রাহকদের আহ্বান জানাই আমাদের সংগ্রহ দেখার জন্য। আমাদের অলঙ্কারের প্রতিটি টুকরো গুণমান এবং কারুকার্যের বৈশিষ্ট্য বহন করে।' উৎসবের মরশুমে সেনকো গোল্ড অ্যান্ড ডায়মন্ডস হীরের মজুরিতে ৫০ শতাংশ পর্যন্ত এবং হীরের মূল্যে ১২.৫ শতাংশ পর্যন্ত ছাড়, সোনার মজুরিতে ২৫ শতাংশ পর্যন্ত ছাড় দিচ্ছে। পুরনো সোনা বদলের

TIMELESS ELEGANCE

We speak to entrepreneur Joita Sen on latest trends in jewellery purchase and traditional designs

HER ENTREPRENEURIAL JOURNEY commenced in 2009 along with her better half Suvankar Sen, under the guidance of her late father-in-law Shaanker Sen. Since then Joita Sen, director and head of marketing and design, Senco Gold & Diamonds has revolutionised jewellery buying experience across all age groups through the launch of sub-brands Gossip, Everlite, and Senco D'signia. She built successful campaigns and pioneered collections like *Polki* and heart-shaped diamonds. Her latest milestone with her husband was the launch of a successful IPO and she states, "Looking ahead, experimentation, inclusivity, and technological advancements, remain pivotal in shaping our future trajectory". Beyond work, her philanthropic endeavours include initiatives for aid

What kind of designs work for millennials?
Desires that emphasise individuality, sustainability, and versatility. Minimalist and timeless pieces with natural diamonds and precious or semi-precious stones hold great appeal. Customisation options like initials or simple motifs with rubies and emeralds resonate well. Vintage or vintage-inspired pieces are popular for blending tradition with modernity. Millennials often gravitate towards eclectic styles, appreciating jewellery that stands out and complements their diverse fashion preferences.

Lessons learned from customer feedback that you have used to better the brand?
Recognising a growing interest in lab-grown diamonds, we introduced Sennes from the House of Senco. Meanwhile, we continue to offer natural diamonds.

How would you reflect on your personal choice of jewellery?
Minimal designs can be powerful statement pieces seamlessly fitting into my daily vibe. I enjoy the art of mixing traditional pieces with contemporary fusion wear, creating a personalised style.

Is it easier to understand the customer choice and design requirements being a woman?
Understanding customer choices and design requirements transcends gender. As a businesswoman, personal likes and dislikes take a backseat, and decisions are driven by the collective effort of merchandisers, designers, and marketers, coupled with local feedback, social listening, and global trends.

A woman who has inspired you the most and why?
My mother, aunt, and mother-in-law. Their

Our sub-brands



Aham

Designed for modern and sophisticated gentlemen to command attention, Aham's Men Jewellery by Senco exudes a dignified demeanour and cosmopolitan flair. Express your appreciation for fine craftsmanship and luxury with our signature collection of rings, bracelets, cufflinks, ear-studs, chains and pendants. Meticulously crafted in platinum, diamond, gold and silver, Aham jewellery speaks with a refined and timeless voice.



Everlite

Indulge in the exquisite allure of Everlite by Senco Gold & Diamonds, meticulously crafted to elevate the modern woman's glamour. A testament to sophistication and elegance, each piece is designed for those who appreciate luxurious subtlety in their everyday attire. Adorn yourself with HUID hallmarked jewellery, featuring the radiant gleam of gold, the timeless allure of diamonds, and the prestigious sheen of platinum. Illuminate your presence with the unparalleled brilliance of Everlite!. Fine jewellery for every day.



Gossip

Launched in 2008, Gossip offers a diverse range of silver and costume jewellery designed for women of all ages. Featuring American Diamonds, European influences, and oxidized silver, our collection includes rings, earrings, necklaces, and more, with prices starting at Rs. 500, we ensure that luxury and sophistication are accessible to all. Explore our extensive collection, boasting an impressive selection of rings, earrings, necklaces, pendants, bangles, wristlets, tiara-mangtikas, nose rings, and stunning matching sets that truly steal the limelight. From everyday elegance to stunning wedding gifts, discover affordable luxury and timeless designs at Senco showrooms and let Gossip enhance your timeless elegance with grace.



Perfect Love

A celebration of love in all its glory, Perfect Love diamonds are perfectly cut Hearts & Arrows diamonds, the crème de la crème of diamond artistry. Its colour, clarity, carat and cut ensure that it exudes maximum brilliance when touched by the slightest light. When it comes to expressing love, no one does it better than the rarest of rare Hearts & Arrows diamonds. are truly unique, just like your love. Unmatched in precision and quality, it exhibits a perfect symmetry of eight arrows when seen from the crown and tiny hearts when viewed from under.



Sennes

Explore the realm of handcrafted luxury with Sennes - a fusion of artistry and craftsmanship with Lab-grown Diamond Jewellery and Italian Designed Leather Bags and Accessories. Every piece is a work of art exuding ethereal grace. Experience the brilliance and sparkle of the finest lab-grown diamonds and premium top-grain certified leather with Sennes.

Brand campaign



Rajwada Collection 2023

Campaign Month – September, October and December 2023

This is a tactical campaign. The Rajwada Vivaah Campaign is inspired from the concept that every bride is a queen. The collection brings out a feeling of royalty, the designs are grand, wide- spread. The regal collection is designed with gold, diamond, polki, kundan, antique. The exquisite meenakari, filigree and ball and wire work set the collection apart from any other.



Azadi Utsav – Chain Festival

Campaign Month – August 2023

This is a tactical campaign. Designs from our chain festival, a freedom collection created especially for Indian Independence Day. The collection of this campaign is designed with various styles, patterns, and types of chains for both men and women.



150+ Stores

Campaign Month – October 2023

This is a brand campaign. Celebrate a landmark moment with us as we unveil our 150th showroom! We reached a significant milestone, reflecting our dedication to bringing beauty and elegance to every corner of India. Our journey of expansion continues, and we're thrilled to share this achievement with you, our valued customers. Our campaign commemorates the opening of two new showrooms, marking a total of 150 destinations where dreams are adorned and cherished. It's not just about numbers; it's about our promise to you – a promise of quality, craftsmanship, and the joy of jewellery.

Shagun ki Dhun

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GOLD & DIAMONDS
sencogoldanddiamonds.com

Bangle Utsav
Poila Baisakh
And Akshaya Tritiya

| | | |
|---------------------------------------|----------------------------------|---|
| DIAMOND JEWELLERY | OFFER | GOLD JEWELLERY |
| UP TO 12% OFF ON DIAMOND VALUE | 50% OFF ON MAKING CHARGES | UP TO 125/- OFF ON PER GRAM OF GOLD RATE |
| | | UP TO 15% + 50% OFF ON MAKING CHARGES |

Making charge starting from 8%

7605023222 1800 103 0017

Bangle Utsav – Shagun Ki Dhun & Stack Fest Everlite

Campaign Month – April 2023

This is a tactical campaign. Bangle Utsav and Stack Fest Everlite Campaign - A range of more than 3000+ designs that brings together the beautiful amalgamation of music and karigari - Shagun Ki Dhun. The bangles, wristlets, bracelets are created to meet both traditional and contemporary desires, the designs are created with a pan-India approach with gold, diamonds, platinum, antique, polki and kundan.

EVERY INNINGS IS FOR WINNING

SENCO
GOLD & DIAMONDS

PRESENTS

AHAM
MEN'S JEWELLERY

7605023222 1800 103 0017
sencogoldanddiamonds.com

Aham

Campaign Month – June & November 2023

This is a brand campaign. Designs from our chain festival, a freedom collection created especially for Indian Independence Day. The collection of this campaign is designed with various styles, patterns, and types of chains for both men and women.

তোমার সৌন্দর্যের বালক,
ফুটে উঠুক
তোমার গল্পের মাধ্যমে।

SENCO
GOLD & DIAMONDS

Women's Day Offer!

হীরের সন্ধ্যা অতিরিক্ত
15% ছাড় + 5% ছাড়
হীরের মূল্যের উপর মহিলাদের জন্য

সোনার সন্ধ্যা
₹200/- ছাড় 35% ছাড়
প্রতি গ্রাম সোনার মূল্যের ওপর সের্বিং চার্জের ওপর

Sruti
Collection

Women's Day Campaign

Campaign Month – February and March 2024

The Women's Day tactical campaign symbolizes the grace and strength of women, Each piece captures the fluidity of ribbon dance, celebrating the journey of achievement with elegance and empowerment. This campaign transcends traditional jewelry to embody the spirit of "Diversed Voices, Shared Strength". Each piece is a testament to the unique stories and collective resilience of women, meticulously crafted to honor the everyday successes and precious moments that define womanhood. The collection is a celebration of individuality and cherishes the simple joys that make life extraordinary.



Know Your Diamonds

Campaign Month – December and January 2023

This is a brand campaign. Discover the brilliance of diamonds with our Know Your Diamonds campaign. We're on a mission to enlighten and educate about the sparkle of these precious stones. Dive into the 4Cs of diamonds—Cut, Color, Clarity, and Carat—and understand what makes each diamond unique. But our commitment doesn't stop at education. We offer peace of mind with EMI options and insurance policies for your diamond jewellery, ensuring your investment is protected. Plus, with our buyback and exchange policies, you have the flexibility to keep your collection as timeless as the diamonds themselves. Trust is paramount, and that's why we provide certifications for every diamond, guaranteeing its quality and authenticity.

everlite™ by Senco™
FESTIVAL OF Love 2024

আরও কিছুদিন ভালবাসার দিন!
হীরের গয়নার ওপর সেনকো'র
Festival of Love 2024 সময় সীমা বেড়েছে
হীরের গয়না

| | |
|---|--|
| 20% + 24% পর্বত ছাড় মেকিং চার্জের ওপর | 10% পর্বত ছাড় হীরের মূল্যের উপর |
|---|--|

ফ্রি সোনা
₹50,000/- এর বেশি
কেনাকাটার উপর

0% DEDUCTION পুরনো সোনার বিনিময়ে

আকর্ষণীয় অফার
প্র্যাটিনাম, পোলকি, রুপা এবং গসিপ গয়নার উপর

হীরের গয়নায় EMI প্রতি মাসে
₹5000/- থেকে শুরু
গয়নার দাম শুরু
₹10000/- থেকে

FESTIVAL OF LOVE
কালেকশন
কোড QR
Code ছাড়া
করুন।

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Festival of Love Campaign

Campaign Month – February 2024

This is a tactical Campaign. Immerse yourself in the essence of love with our Festival of Love campaign. Our campaign is a tribute to love in all its forms, celebrating the timeless bonds that span generations. From the tender embrace of parents to the budding romance of new couples, the enduring love of long-married pairs, the companionship of best friends, and the cherished friendship with sisters, our collections are crafted to honor these special connections. The *Romantique collection* at Senco and the *Love 24 collection* at Everlite are more than just jewellery; they're symbols of affection designed to create unforgettable moments. Let the warmth of our pieces envelop you and your loved ones, making this Valentine's Day not just a day, but a memory to treasure forever.

Senco's brand ambassadors



Kiara Advani

Actor who has worked in more than 20 films; bagged four acting awards.



Sourav Ganguly

Cricket icon and former President of the Board of Control for Cricket in India. Respected for inspirational captaincy and laying the foundation of the modern Indian cricket team. His personal brand has stood for personal excellence, style and inspirational leadership.



Vidya Balan

Actor who typifies protagonist women's roles in Indian cinema. Promotes humanitarian causes; champions women empowerment. Member of the Indian Central Board of Film Certification; hosts a radio show; won more than 40 awards.



Madhumita Sarcar

Actor popular for her successful film Cheeni. Promotes the brand in West Bengal.



Jaya Ahsan

Jaya Ahsan, a leading Bangladeshi actress, also endorses Senco Gold & Diamonds' bridal jewellery collection.



Isha Saha

In 2023, Senco Gold & Diamonds appointed the celebrated Bengali actress Isha Saha as its regional brand ambassador.



Ditipriya Roy

Senco enlisted Bengali actress Ditipriya Roy to represent their Gossip Collection.

The Senco franchise network

The Company opened 6 franchise showrooms during the year under review. Franchise showrooms contributed to 34.65% of revenue from operations in FY 2023-24.

FY 2023-24 - Tier 2 Cities - 10 stores. Tier 3 & 4 Cities - 56 stores.

The Company's franchise presence in West Bengal, Assam, Odisha, Bihar, Jharkhand and Uttar Pradesh covered 66 stores as on 31 March, 2024.

Of 66 franchisees at the close of FY 2023-24, around 40 had been associated with the Company for more than five years; some

franchisees extended to the ownership of multiple outlets.

The franchise business reported an increase in footfall as the number of invoices generated increased from 2,81,174 in FY 2022-23 to 3,06,929 in FY 2023-24.



Corporate Social Responsibility

The Key Focus areas identified towards the Corporate Social responsibilities covers health projects & initiatives for under privileged section of the society, education projects & initiatives for the under-privilege children, women and youth in the rural areas and projects & initiatives for ensuring environmental sustainability and ecological balance

Senco Gold and Diamonds contributes CSR funds to P C Sen Charitable Trust, a public charitable trust, to carry out the

CSR initiatives as per the Annual Action Plan approved by its CSR Committee & Board of Directors.

Projects undertaken:

P C Sen Diagnostic Centre: Diagnostic Centre & Mobile Medical Unit for underprivileged section at Bakrahat, South 24 Parganas

SHIVSWAY: Shankar Sen Institute of Vocation Training for Women & Youth-

Short Term Courses under PBSSD, Utkarsha Bangla

KISHALAYA: Educational and power breakfast support to students of pre-primary & primary education for underprivileged section of society at Purba Medinipur, Purulia districts.

GREEN FLAME: Installation of Improved Domestic Cook Stove to create less polluting domestic kitchen in underprivileged rural homes in districts of West Bengal.



Dilapidated Creche Building reconstructed at Mayachar Village



Power Breakfast being provided at Mayachar Shishu Vidayatan



Reconstructed Creche-cum Pre-primary Education Centre at Mayachar Village

PRESS RELEASE

P. C. Sen Charitable Trust



P.C. Sen Charitable Trust supported by Senco Gold & Diamonds, inaugurates Prabhat Diagnostics Centre at Rasapunja (South 24pgs) to boost their CSR initiatives.

Kolkata December 05, 2023 – P.C. Sen Charitable Trust supported by, Senco Gold and Diamonds, the 2nd most trusted jewellery brand in India by the TRA (Trust Research Advisory) for the 3rd consecutive year, inaugurated Prabhat Diagnostics Centre at Rasapunja (South 24pgs) today, as a part of Senco Gold & Diamonds CSR initiatives. Notable doctors who were present to grace the occasion today are Dr. Ari, Dr Arunavo Sengupta (PG Hospital), Dr MS Maity (CMOH), Sikha Roy (Sasthyatha karmadhyakshya, S-24pgs).

Speaking on PRABHAT DIAGNOSTIC CENTER, Ranjana Sen (Chairperson & Whole Time Director, Senco Gold & Diamonds) said, 'It is the first unit of the proposed medical complex, a dream project of Late Shri. Shankar Sen. He desired to provide healthcare and job oriented academic support to the financially weak population of West Bengal.

The Medical Complex, as desired by him should comprise of (a) Diagnostic Centre, (b) Nursing Academy, (c) Paramedical Institute, (d) Medical Centre.'

Suvankar Sen (MD & CEO of Senco Gold & Diamonds), said, 'The 2700sqft spacious Polyclinic of Prabhat Diagnostic Centre has provision to accommodate 16 Physicians daily. Most of these physicians would be General Physicians. In the days to come, a mobile healthcare unit shall visit the remote areas to provide services. Most of the Eminent Consultants from Kolkata shall visit patients by appointment. The diagnostic centre to facilitate Digital X-Ray with DR system, Ultrasonography, ECG, ECHO, Holter Monitor, TMT, and Gastroenterology'.

Joita Sen (Director & Head of Design & Marketing, Senco Gold & Diamonds) said, 'Senco Gold & Diamonds, believes in empowering women and making the

world a better place. This initiative is going to impact the enhancement of women and development of the society. We are to introduce Nursing Academy to admit students in the academic session of 2024-25'.

About P.C. Sen Charitable Trust: - P.C. Sen Charitable Trust supported by Senco Gold & Diamonds focuses to serve the health needs of the community through a holistic philosophy to inspire hope through integrated medical care and contribute to welfare by providing technical academic support to be self-assured. P.C. Sen Charitable Trust aims to build a healthy community through integrated medical care and hence contributes to welfare programmes and technical academic supports to the society. Founder Late Shri. Shankar Sen desired to provide healthcare and job oriented academic support to the financially weak population of West Bengal.



Attitude of gratitude



On January 8, 2024, Senco Gold & Diamonds, India's second most trusted jewellery brand, celebrated the New Year with a focus on "Attitude of Gratitude." The event, held at Newtown Business Club, featured leaders from various religious faiths, including Rev. Thomas D'Souza, Shri Bodhijyoti Bhikkhu, Jimmy Homi Taraporwalla, Moulana Syed Meher Abbas Rizvi, and Shri Shivaji Bhakta, coming together to promote love and harmony.



In 2023, Senco Gold & Diamonds gifted around 50,000 saplings nationwide to raise environmental awareness. Ms. Joita Sen, Director & Head of Marketing & Design, highlighted the initiative as a way to express gratitude and support for Mother Nature. The event was graced by Shri Debashis Sen, Chairman of NKDA & MD of HIDCO, and hosted by Mr. Suvankar Sen, MD & CEO, and Ms. Joita Sen.

Management discussion and analysis

Company overview

Senco Gold Limited ('Senco' or 'Company') is a leading pan-India organization engaged in the business of manufacture and retail with a legacy of more than eight decades, it is the largest in eastern India based on the number of showrooms. Senco has been rated as the second Most Trusted Jewellery Brand for the fourth year in a row by Trust Research Associate (TRA) and amongst most desired jewellery brands by TRA in 2023, much ahead of most of our peers. Senco has also made it to the list of Global Top 100 Luxury Brands by Deloitte in its February 2024 report. Senco's credit rating has been upgraded by ICRA at (ICRA)A2+ for short-term and (ICRA) A with a "Stable" Outlook for long-term Working capital facilities. Senco has also been Certified as a Great Place to Work (GPTW).

Senco has over 159 showrooms (including 66 Franchisee showrooms) spread across India, with a mix of Own and Franchisee

models; and having various formats like Classic & Modern, D'Signia, Everlite, House of Senco and Sennes, that cater to various customer segments. The D'Signia showroom format offers a premium jewellery retail shopping experience to its connoisseur customers, while Everlite offers lightweight, modern and trendy collections. Sennes and House of Senco offers luxury Lifestyle products and jewellery including Leather Bags, lab-grown Diamond etc.

Senco offers an extensive range of jewellery, including gold, diamond, silver and platinum, as well as precious and semi-precious stones. With a catalogue offering more than 1,51,000 designs for gold jewellery and more than 85,000 designs for diamond jewellery, Senco offers a large variety of designs of handcrafted jewellery, most of which are designed in-house by own designers in close collaboration with skilled local karigars in Kolkata and across the country. Senco's brand portfolio

includes 'Everlite' focused on lightweight jewellery; 'Gossip' the silver and costume jewellery brand; and 'Aham' catering to men. We also have Vivaha and Rajwada collection, which serves premium wedding jewellery range.

Senco has in its portfolio two wholly owned subsidiaries namely Senco Gold Artisanhip Pvt. Ltd. (SGAPL) and Senco Global Jewellery Trading LLC Dubai, UAE, (SGJTL) (Dubai), whose results are consolidated with standalone legal entity. The UAE entity achieved local B2B sales of Rs. 30.7 Cr during FY 2023-24. SGAPL is primarily a strategic initiative for in-house capacity building in manufacturing prowess and innovative capability through a job working and manufacturing model as a captive unit. During the year, SGAPL achieved a topline of Rs. 44.5 Cr, as a mix of sale of jewellery to Senco and job work income, this income has been eliminated during consolidation.

Industry structure and developments

The global jewellery market has experienced substantial growth in 2023-2024, driven by increasing disposable incomes, growing fashion consciousness, and rising demand for branded jewellery. Key trends shaping the growth include the expansion of online jewellery sales, a heightened focus on sustainability and ethical sourcing, and a continued consumer preference for natural diamonds. In India, the jewellery market remains particularly robust, with segments including gold, diamond, silver, and gemstones being heavily influenced by cultural practices, festivals, and wedding seasons. The regulatory environment, encompassing hallmark mandates, import

duties and GST, plays a significant role in shaping the industry. Additionally, Indian consumers are increasingly gravitating toward lightweight, daily wear jewellery and customized, designer pieces, reflecting evolving preferences.

On the development front, technological advancements such as 3D printing and computer-aided design (CAD) are revolutionizing jewellery manufacturing, enabling greater precision and creativity in design. The digital transformation was evident in the rising prominence of e-commerce, digital marketing strategies and augmented reality (AR) applications for virtual try-ons, enhancing the customer experience. Furthermore, sustainability

and ethical practices are becoming central to industry operations, with initiatives in traceability and responsible sourcing addressing the growing consumer demand for ethically sourced natural diamonds and precious metals.

However, the industry faced several challenges, including economic uncertainties inflation and currency fluctuations. The competitive landscape was intense, with key players adopting innovative differentiation strategies to maintain their market positions. Regulatory changes, including hallmarking regulations, import-export policies, and tax reforms, have a significant impact on operational efficiency. Government

support through export promotion incentives and MSME schemes remains vital for sustaining industry growth.

Impact on Senco Gold Limited:

The Company has strategically aligned its operations with these market trends, focusing on expanding its online presence

and emphasizing the ethical sourcing of natural diamonds. The Company has introduced innovative products and diversified into new segments, such as men's jewellery and lightweight collections, catering to changing consumer preferences. Operational efficiencies have been enhanced through advancements in

manufacturing processes and improved supply chain management. Financially, the Company has shown strong performance, marked by notable revenue growth and profitability, supported by investments in store expansions and strategic partnerships.

Opportunities and threats

The Company identified several key opportunities and threats in the market for 2023-2024. The Company sees opportunities for innovation through advanced design and manufacturing technologies like 3D printing and computer-aided design (CAD), which allow for the creation of unique, high-quality products that attract discerning customers. The ongoing digital transformation presents significant potential for enhancing customer engagement, expanding reach, and boosting sales efficiency through e-commerce and digital marketing initiatives. The growing market demand, driven by rising disposable incomes and increased fashion awareness, offers substantial growth prospects. Additionally, the increasing demand for ethically sourced and sustainable products, provides an opportunity for Senco Gold Ltd. to

appeal to socially conscious consumers by focusing on responsible sourcing of natural diamonds and precious metals. Expanding into new geographic markets and customer segments, leveraging strong brand recognition, integrating advanced technologies, and diversifying product lines to include complementary items such as luxury lifestyle accessories are also considered as key growth strategies.

On the flip side, the Company acknowledged several threats that could impact its operations. The highly competitive jewellery industry could lead to price wars, reduced margins and increased marketing expenses. Frequent regulatory changes, such as hallmarking mandates, import duties, and tax reforms, may pose compliance challenges and affect operational efficiency. Economic uncertainty, including inflation

and currency volatility, could impact consumer spending and raw material costs, affecting profitability and sales. Supply chain disruptions caused by geopolitical tensions, wars in other countries, natural disasters, or logistical issues could affect the availability and cost of raw materials, leading to production delays and increased costs. Global market dynamics, including changes in international trade policies and tariffs, pose further risks to export potential and profitability. Technological risk, environmental and social scrutiny, rising operational costs, the prevalence of counterfeit products, and socio-political factors in key markets also present significant challenges. Additionally, rapid expansion or diversification without maintaining quality could lead to brand dilution and a loss of customer loyalty, while talent retention in a competitive market could be challenging.

Segment wise or product-wise performance

Senco Gold Limited successfully navigated a dynamic market environment in FY 2023-24, delivering strong growth across product categories. The Company continued to expand its retail footprint, increasing the total number of showrooms to 159, including 66 franchise-operated locations.

Category-wise Performance

Gold: Gold sales saw a 25% growth overall, with a 19% growth in LTL (Like-to-Like) sales. The rise in gold prices and strong wedding season sales were significant contributors.

Diamond: Diamond sales recorded an impressive 37% growth overall and 30% LTL growth, driven by increased demand for studded jewellery.

Platinum: Platinum sales grew by 38% overall, with a 31% LTL increase, reflecting its growing acceptance among consumers.

Silver: Silver sales increased by 25% overall, with a 16% rise in LTL sales, supported by the expanding popularity of the Gossip brand.

Gossip: The Gossip brand, which focuses on contemporary fashion jewellery, achieved 21% overall growth and 13% LTL growth, appealing to younger demographics.

Outlook

The Indian jewellery industry is on a consistent growth trajectory having grown at 8% CAGR over 2018 to 2023 and likely

to touch USD 145 billion dollars by 2028, driven by an accelerated CAGR of 16%. Regulatory developments, like compulsory hallmarking, mandatory HUID hallmarking on every jewellery, anti-money laundering regulations, prohibitive regulations and limits on cash transactions, are creating a favourable environment for organized players. The share of organized retail jewellers is likely to cross 60% by 2035.

Senco is uniquely positioned to leverage the above growth journey, backed by its visionary leadership, strong management team, robust system and process, healthy financial metrics and availability of capital. While we maintain our market, leadership based on the number of stores in the eastern region we will also expand in

north, west and south as a strong pan-Indian brand. We also aspire to retain our position as the second most trusted brand, We second most desired jewellery brand and will continue to delight our customers with a large range of designs, a customer-centric approach and a focus on sustainable, profitable growth towards shareholders value creation.

Looking ahead to 2023-2024, the Company anticipates a year of growth and opportunity, underpinned by favourable market conditions and a strategic emphasis on innovation and sustainability. The jewellery markets, both globally and in India, are expected to continue their growth, driven by rising disposable incomes, increasing fashion awareness, and the enduring cultural significance of jewellery in Indian society. This positive environment provides a strong foundation for the Company to expand its market share and explore new growth avenues.

The Company's strategic focus will include enhancing its e-commerce and digital marketing efforts to better engage with customers and drive sales. By investing in cutting-edge technologies such as 3D printing, CAD, and augmented reality (AR), Senco Gold Ltd. aims to offer innovative and unique jewellery designs that resonate with contemporary consumer preferences. The Company's commitment to ethical sourcing, particularly with natural diamonds, and sustainable practices aligns with the growing consumer demand for responsible and eco-friendly products, further enhancing its brand appeal.

Diversifying its product range by introducing new categories, such as luxury watches and expanding into new geographic regions will be key growth strategies for the Company. Offering personalized and bespoke jewellery services will help differentiate the brand

from competitors and build lasting customer relationships. Financially, the Company expects steady revenue growth, driven by operational efficiencies and strategic investments. A proactive approach to risk management will be essential to navigate potential challenges such as economic fluctuations and regulatory changes, ensuring long-term financial stability.

Overall, the Company is well-positioned to achieve continued success in 2024-2025, leveraging emerging market opportunities while effectively managing potential risks. The Company's strong market presence, focus on innovation, commitment to sustainability, and enhanced customer experience will drive its growth and strengthen its competitive advantage in the dynamic jewellery industry.

Risk management

The Company has established a comprehensive risk management framework for the identification and mitigation of key business risks. The major risks and mitigation strategy of the Company are mentioned below:

Macroeconomic Risk

Impact: Geopolitical tensions, supply chain disruptions, higher inflation, monetary tightening and global economic slowdown may reduce consumer spending and impact the growth of the gems and jewellery industry.

Mitigation strategy: The Company is focused on increasing its geographical footprint, e-commerce expansion, and producing innovative products to strengthen its market position. Further, it primarily concentrates on the domestic market and remains protected from the impact of international economic challenges. Moreover, its plan for geographical diversification will reduce dependence on a particular economy in case of adverse events and circumstances in any country.

Competition risk

Impact: The gems and jewellery industry faces intense competition from

the growing presence of both organized and unorganized players. The inability to produce high-quality and aesthetic products at competitive prices may impact the market share and growth of the Company.

Mitigation strategy: The Company's superior brand recall, unique design and product portfolio and impeccable track record enable it to establish itself as a leading and preferred jewellery brand in India. Moreover, consistent efforts towards developing new designs, product innovation and branding and marketing activities will further strengthen its brand positioning and customer connection.

Margin risk

Impact: The profitability/margin of the Company is dependent on the gold jewellery business and any adverse conditions in gold procurement or prices can significantly financially challenge the Company.

Mitigation strategy: The Company has taken various initiatives to increase the share of diamond jewellery that is staff incentivization, special offers new product designs etc. The Company is focusing on increasing diamond, polki, and platinum

sales. Further, new product line with higher margins like leather accessories and lab-grown diamonds have been introduced.

Data security and privacy

Impact: Data privacy infringement shall be a major impact in conducting the business and any breach can lead to non-compliance of the data privacy law.

Mitigation strategy: The Company is proactively working on various avenues for enhancing data management, protection and software capabilities. The Company focusing on leveraging cloud-based data storage solutions and upgrading software services. By embracing these possibilities, the Company aims to optimise efficiency, scalability, and overall performance to meet the evolving needs of data security and privacy.

Price Volatility

Impact: Volatility in prices of gold may lead to abnormal gains or losses.

Mitigation Strategy: Defined purchase policy, purchase of gold on unfixed basis and implementation of strong hedging policy and framework has been implemented to mitigate the risk.

Internal control systems and their adequacy

Trust and transparency along with purity and quality form the core foundation of our value system. We ensure that all the jewellery sold by us are of appropriate quality (Caret, 4Cs, ethically sourced). We have thus built robust internal controls along with integrated systems built on institutionalized process to ensure that our customers are at the fulcrum in all our business process.

Senco places utmost importance on regularly enhancing its internal control framework in view of the complex business environment and ever-increasing risk of fraud and error in the digital era. Senco adopts a calibrated and smart framework spanning on pillars of administrative and financial controls. On the administrative control side, the Company has established a proper reporting structure, several oversight committees, segregation of duties, maker and checker controls, ERP based controls at all levels to ensure appropriate checks and balances. On the financial control side, the management with the knowledge and understanding of the business, its organization, operations, and processes has put in place appropriate controls

including reporting mechanisms to deter and detect misstatements in financial reporting. On the business and customers-facing operations, we have built controls like gold purity testing, diamond caret testing, testing of old gold in front of customers, 100% hallmarking, SGL & other diamond certification, regular audit and review of Karigar performance, multistage QC process backed by lifelong buyback, to reinforce our quality commitments. Further, Senco has an internal financial control (IFC) system, which is commensurate with the nature of its business and the size and complexity of its operations.

The Company's system of internal control has been designed to provide reasonable assurance with regard to controls over critical business activities and operations, policies and procedures for ensuring the orderly and efficient conduct of business, critical procurements, prevention and detection of frauds and errors, compliance with regulations and for ensuring timeliness and reliability of financial reporting. The Company's Internal Financial Controls (IFC) have been reviewed and actions have been

taken wherever needed, to strengthen control and overall risk management procedure. The Internal Audit is carried out by a firm of Chartered Accountants which reports its findings and observations directly to the Audit Committee. In the age of phygital business our auditors also regularly conduct ITGC audits to mitigate the risk of any cyber fraud and error. The Audit Committee evaluates and reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen them. Based on the report of the Internal Auditor and the response thereto, necessary corrective actions are undertaken to strengthen the controls. Similarly, the risk committee of the Board continuously evaluates various risks facing the business and provides guidance for strengthening the controls. Overall, the Board and the Audit Committee maintain a proactive approach in ensuring that the control and governance framework is regularly reviewed and timely corrective actions are taken to minimize the risk of disruption. We continue to look at reviewing and strengthening internal controls across the entire organization with a focus on customer delight.

Financial review

Analysis of the Profit and Loss Statement (Consolidated)

FY 2023-24 was another landmark year in the successful journey of Senco as we achieved a total revenue growth of 28.5%YoY (including Same Store Sales Growth - SSSG of 19%) leading to an increase in the topline from Rs. 4,077.4 Cr to Rs. 5,241.4 Cr. Out of this growth, retail growth from own and franchisee showrooms was 25% (including Same Store Sales Growth - SSSG of 19%). This achievement was based on 13% volume growth in Gold Jewellery and 18% volume growth in Diamond Jewellery (referred as Stud Ratio). Our revenue mix was ~64% from company-operated showrooms, ~31% from franchisees showroom (FOFO & FOCO both); and the rest 5% was contributed by e-commerce, exports, corporate and digital gold. Revenue from exports improved substantially from Rs.

69.8 Cr to Rs. 207.9 Cr in the standalone entity. We have been regularly expanding our showroom presence across North, South, West and Central India as part of our Bharat Strategy leading to an increase of total non-east revenue at Rs. 812.9 Cr.

The Average Ticket Value (ATV) and Average Sell Price (ASP) also increased from Rs. 57,900 and Rs. 36,000 to Rs. 63,700 and Rs. 41,600 respectively indicating premiumization.

Other income: Other Income substantially increased by 35.7% YoY from Rs. 31.1 Cr to Rs. 42.2 Cr mainly due to the increase in interest income of Rs. 23.5 Cr on FD & Margin. The total funds invested in FD & Margin (collateral for working capital facilities, Jewellery Purchase Scheme Compliance, gold hedging margin etc) increased to Rs. 532.8 Cr.

Cost of Goods Sold: Rose marginally from 83.9% to 84.7% due to competitive intensity, product mix changes, entry into new markets and higher discounts & offers leading to reduction in gross margin from 16.1% to 15.3%. It is expected that competitive intensity will continue to remain elevated as many players are offering huge discounts and offers, while some new entrances are planning to enter in this business.

Total expenses: Inclusive of manpower expenses, marketing expenses, sales and distribution, lease rental for stores and other expenses (Rs. 314.7 Cr) rose from Rs. 338.8 Cr to Rs. 425.8 Cr due to full-year impact as well as inflation impact. Manpower expenses increased from Rs. 93.4 Cr to Rs. 111.2 Cr due to new hiring for expansion, investment in talent building, staff welfare, training & development. We were again ranked

as a “Great Place to Work” for 2nd year in a row. Marketing and brand-building expenses increased from Rs. 81.0 Cr to Rs. 103.4 Cr as we continued to maintain our lead position in the jewellery industry. Lease rentals are paid towards COCO showrooms taken on lease, Guest House, Factories & Workshops and Offices. The Company has 159 showrooms out of which 93 showrooms are company operated and the remaining are on Franchisee operated. Out of 93 own showrooms, 84 showrooms are taken on lease whose tenure ranges from 9 yrs. to 15 yrs. The total lease expense increased from Rs. 46.3 Cr to Rs. 58.7 Cr, however, due to IND AS 116 lease accounting impact, Rs. 28.5 Cr was classified as “interest cost on lease liabilities”; Rs. 35.7 Cr towards depreciation on ROU Assets; and balance Rs. 6.7 Cr as lease expenses.

EBITDA increased from Rs. 316.6 Cr to Rs. 375.5 Cr with resultant EBITDA margin at 7.2% for FY 2023-24 which was marginally lower compared to the previous year, as the focus was on growth and capacity building. The management is cognizant of protecting and improving the EBITDA margin in the range of 7.5% to 8.0% by operating leverage and enhancing the stud ratio.

Finance Cost (inclusive of lease accounting impact) increased from Rs. 86.1 Cr to Rs. 108.1 Cr. In this context, it is pertinent to state that total borrowing increased from Rs. 1,179.3 Cr to Rs. 1,498.3 Cr and

the average annual borrowing increased to Rs. 1,338.8 Cr. The actual finance cost was Rs. 79.6 Cr in FY 2023-24 as against Rs. 64.2 Cr in FY 2022-23. The blended rate of interest improved from 6.0% to 5.7% due to concerted strategy of higher proportion of Gold Metal Loan (GML) (61%) bearing average rate of 3.1% p.a.

EBIT margin for FY 2023-24 remained range bound at 6.8% as against 7.4% the previous year. The PBT margin for FY 2023-24 was also range bound at 4.8% as against 5.3% the previous year for the reason stated above.

The PAT for the year increased by 14.2% from Rs. 158.5 Cr to Rs. 181.0 Cr which contributed to cash flow and the same was deployed along with IPO fund throughout the year for growth and expansion as well as inventory buildup.

Analysis of the Balance Sheet

Share Capital & Reserve (Net Worth):

The net worth of the Company increased by Rs. 420.0 Cr from Rs. 945.5 Cr to Rs. 1,365.5 Cr. The increase is primarily on account of the IPO fund (net of IPO expenses) received in July 2023. The net IPO expenses of Rs. 22.80 Cr has been adjusted against reserve and surplus and the balance of Rs. 216.2 Cr and PAT for the year Rs. 181 Cr has led to increase of net worth as above.

Bank borrowing: Our Bank borrowings are primarily for short-term working

capital purposes only and a major part (61% of total borrowing) is in the form of GML which has substantially lower average rate of at 3.1% p.a. Our total borrowings increased YoY from Rs. 1,179.3 Cr to Rs. 1,498.3 Cr on account of inventory increase and gold price increase. We have been continuously increasing Gold Metal Loan (GML) and it has reached to 61% as on March 2024 as against 54% in March 2023. Thus, the blended rate of interest improved from 6.0% to 5.7%.

The total capital employed inclusive of working capital borrowing increased from Rs. 2,126.9 Cr to Rs. 2,866.3 Cr which led to capital availability or sales growth and resultant improved profitability.

Investment in Subsidiaries: The total investment in subsidiaries increased to Rs. 13.3 Cr which pretend to capital infusion made in wholly-owned subsidiaries SGAPL and SGJTL (Dubai) of Rs. 6.5 Cr and Rs. 6.8 Cr respectively. These subsidiaries are in the early growth stage and likely to become profitable in near future.

Inventory: The inventory, which includes jewellery and raw material of gold and other input materials at various locations. Inventory increased from Rs. 1,885.5 Cr to Rs. 2,457.0 Cr due to new showroom additions and enhancement of existing ones. A major reason for increase in inventory value was the substantial rise in gold prices during the year.

The Key Financial Matrixes relating to working capital management, profitability and capital gearing indicates a healthy and stable trend, as outlined below –

| Key ratios | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Return on Equity (ROE) | 15.7% | 19.0% |
| Return on Capital Employed (ROCE) | 12.5% | 14.2% |
| Current Ratio | 1.6 | 1.4 |
| Debt-Equity Ratio | 1.1 | 1.3 |
| Net Debt to Equity | 0.7 | 0.8 |
| Total Outside Liability/Tangible Net Worth (TOL/TNW) | 1.4 | 1.7 |
| Debt Service Coverage Ratio | 3.2 | 3.6 |
| Interest Coverage ratio | 3.5 | 3.7 |
| Inventory Turnover ratio | 2.4 | 2.5 |
| Net capital Turnover ratio | 4.5 | 5.4 |
| EBITDA Margin | 7.2% | 7.8% |
| EBIT Margin | 6.8% | 7.4% |
| Net Profit (PAT) ratio | 3.5% | 3.9% |

Financial performance with respect to operational performance

During the financial year 2023-2024, the Company has delivered strong financial performance, underpinned by its operational efficiency and strategic initiatives. The Company has seen revenue growth driven by increased sales across both its online and offline channels, successful retail expansion, and the introduction of new product lines tailored to shifting consumer preferences.

Profitability has remained robust, bolstered by effective cost management and streamlined supply chain operations. The adoption of advanced manufacturing technologies, such as 3D printing and computer-aided design (CAD), has greatly improved production efficiency, enabling the Company to minimize waste, enhance design precision and speed up product launches. These operational advancements

have not only driven higher profit margins but have also enhanced the Company’s resilience against external challenges such as economic fluctuations and rising raw material costs. The alignment of financial and operational performance has positioned Senco Gold Ltd. for sustained growth, ensuring its competitiveness in a dynamic market while maintaining long-term profitability.

Human assets

Senco’s Human Assets Mantra, “One India One Senco,” reflects its strong belief in the motto “Our people, our strength.” The true power of the Company lies in the people driving these brands. Senco’s unique Employee Value Proposition (EVP), “Protect, Performance and Progress,” positions it as a preferred employer for professionals in the industry.

As on 31st March, 2024, the Company had a total of 2,465 employees, including 892 women. During the year, we onboarded 868 new employees. Of the workforce, 487 were involved in corporate and support functions, 1879 were engaged in retail, and 99 employees worked in factory.

Human Resource Achievements:

- Great Place to Work stands tall on the roots of team with high spirit, leaders with a vision for the future and a culture of honesty, integrity and transparency. Initiated this drive for winning the Great Place to Work badge for Senco and Senco has won the badge in the year ’2023 & ’2024 both.
- Won Two National Awards from World HRD Congress for best HR & Training Initiatives.
- Won India’s Best Workplaces in Health & Wellness by Great Place to Work, Year 2023.
- Real time performance evaluation and reflection in employees’ productivity app (MTD&YTD Achievement)
- Manpower productivity Model – Conceptualization, Articulation, Design & Development.

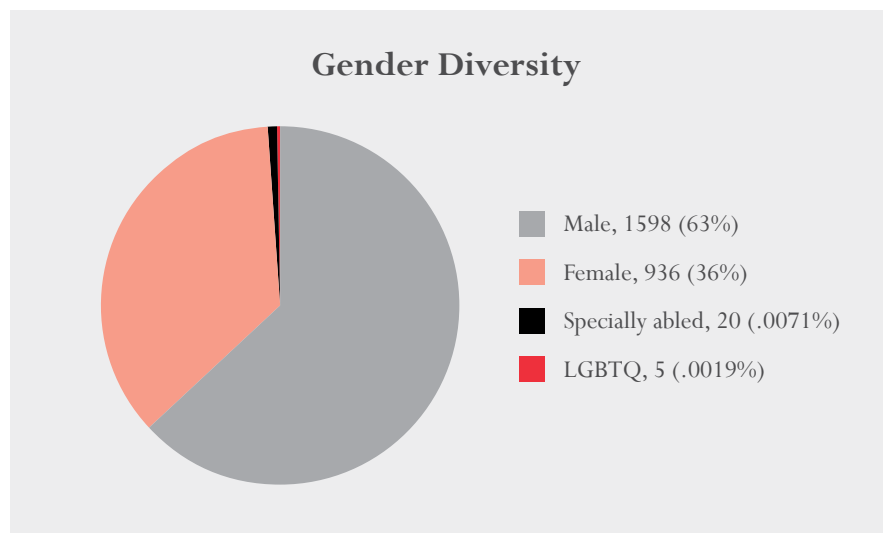
- Implementation of HR Automation-Zero Paper department
- Employee sentiment Analysis for getting real time happiness quotient or engagement score and Creating Happiness Index
- Introduced LMS Tool and evaluation-based Training Program
- Wellbeing Initiative: Doctor on Call, Medclaim benefits, Parental Coverage for Parents and Accidental Insurance.
- Designing, developing & executing various Business-led Programs for enhancing organizational competencies & establishing high performance mindset for improved productivity, building capability and quality enhancement through time and motion.

- Increased flexibility, trust and social connection as well as career planning and time-bound growth plan for retention of talent.
- Created Diversity and Inclusion Programs.

Diversity and Inclusion

Senco is dedicated to Diversity and Inclusion, integrating specially-abled and LGBTQ individuals into meaningful roles with dignity. We support our LGBTQ employees’ gender transformation through our Medclaim plan. At Senco, we believe that gender should never limit dreams; we value and connect with our employees at a deep, emotional level.

We have 63% male, 36% female and 1% specially abled and LGBTQ Employees which will increase in near future.



Senco Employee Wellbeing Practices:

- Empanelled Doctors for physical check-up
- Annual Health Check-up
- Senco has introduced Parental coverage in Mediciam without any co-payment since 2021.
- Mindfulness Session: Emotional skill upliftment for internal relationship wellbeing, coping with stress & anxiety and fear and remaining focused with purpose.
- Yoga and Fitness sessions: Time to time we keep yoga and fitness sessions for our employees' general fitness.
- Values and Culture Day: Talent hunt from PAN India
- Innovation and Best Ideas Day: Our employees get recognized for the best business ideas and it gets implemented in the organization
- Also, we ensure counselling for helping our team to work on stress management.
- We have given Passion Badges based on their personal creative interest to all employees in PAN India

Employee Engagement

We organize team-building programs like the PAN India Senco Cricket Tournament to unite employees across locations under "One India, One Senco." Additionally, year-round events like fashion shows, Retail Employees Day, and festive celebrations such as Holi, Durga Puja and Christmas, along with activities like "Coffee Peene Chalein," bring fun to work and boost productivity.

Career development and enhancing employee Happiness Index

Senco Gold & Diamonds embodies a culture of honesty, integrity, and

transparency, emphasizing personal and professional growth through our Time Bound Growth Plan (TBGP) and shift-based retail schedules. The 'Chatbot' from the virtual real-time connect app enhances engagement, while regular interactions and our 'Reward & Recognition program' reinforce our Vision, Mission and Values. Our open communication framework and comprehensive training empower team members to voice opinions and transition smoothly into independent roles.

The MD and CHRO spent more than 120 Hours listening to 500+ employees during performance evaluation time and exchanged feedback from 7 Zones and 14 States. The Company follows open-door communication which gives a vent to all employees and trusts on the Management. Senco practices the delegation of authority and escalation matrix where everyone has empowerment at their level and reaches out with their ideas as well as concerns through "Idea Box" and "Help Desk".

Learning and Development

Learning & Development at Senco Gold and Diamonds has been an integral part of our Mission Statement and Corporate Governance.

Our focus on enhancing Customer Experience at our retail outlets is achieved through Sales Ambassador Modules, tailored training programs and performance-based evaluations. With a robust E-Learning Portal and online assessments, team members continually upgrade their skills across product knowledge, retail sales, SOPs, digital readiness and people development.

Leadership development has also been a focused area and Senco has identified Focused Group as a 57-Facets Leadership Team and Focused Training Programme on Module ACE (Agility, Collaboration & Excellence) and a specific programme for First Timer Managers & Future Managers which aims to transform our Team Leaders

from "Response & Anticipating" state to "Inspire & To Direct" State. These initiatives would prepare our team members to develop competencies like professional adaptability to change management, collaboration for performance excellence and other managerial competencies which would help our Company adhere to the guidelines /principles of Responsible Business Conduct.

Great Workplace for Women

Senco is deeply committed to gender diversity and inclusivity, with 36% of our workforce and 50% of our C-suites represented by women. We prioritize a safe workplace with our POSH Policy and support work-life balance through a thoughtfully crafted shift roster and initiatives like maternity leave support, women-exclusive tournaments, and Creative Day participation. These efforts show up our dedication to creating an empowering environment where women thrive both personally and professionally.

Rewards & Recognition

Our comprehensive reward and recognition program includes monthly and annual awards like Employee of the Month, Shining and Glittering Star Awards, and over 100 other awards including Long Service, Champ, Values, and Hall of Fame, motivating employees across Sales, Head Office and Factory.

Industrial Relations

Throughout the year, we maintained a positive and harmonious working environment across all our establishments and offices.

Disclosure of accounting treatment

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IndAS)

notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards)

(Amendment) Rules, 2016 read with Section 133 of the Companies Act, 2013.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations

which may be 'forward looking statements' within the meaning of applicable securities laws and regulations.

Experienced Board of Directors



Ranjana Sen

Chairperson and Whole Time Director

- Over 30 years of experience in the jewellery industry
- Associated with our Company since the incorporation of the Company
- Holds a bachelor's degree in arts from the University of Calcutta



Suvankar Sen

Managing Director and CEO

- 19+ years of experience in the jewellery industry
- Bsc.(Hons) in economics from St Xavier college and PGDM from IMT, Ghaziabad
- Committee and Board member of GJEPC, ICC gems and jewellery panel and ASSOCHEM bullion and jewellery council



Joita Sen

Whole Time Director & Head Marketing & Design

- Experience of 15+ years in jewellery designing and marketing.
- BA English (Hons) from St. Xavier's College, Kolkata, and Masters in English from Presidency College.
- Joined the Company in 2009 and has been instrumental in conceptualising and launching brands like Gossip. She keeps a pulse on changing customer demographics and design preferences. Under her leadership, the Company has won numerous awards, including the Jagran Achiever's Award 2023 for Excellence in Design Innovation in Gold and Diamonds.



Shankar Prasad Halder

Independent Director

- • Telecom Engineer from Indian Institute of Engineering Science and Technology with over 4 decades of Experience in Telecom and Technology domain in Group CXO role at Bharti Airtel, Modi Telstra and Escotel Communication.
- • Founder and CEO of Pinnacle Digital Analytics - A data analytics and AI company.



Bhaskar Sen

Independent Director

- Experience of more than four decades in the banking sector.
- Previously associated with Bandhan Bank Limited as an independent director, United Bank of India as the Chairman and Managing Director, and at Dena Bank as an executive director.



Kumar Shankar Dutta

Independent Director

- Experienced Finance professional (M.Com, FCA, AICWA).
- Over 45 year of Experience in Finance, Strategy, Project Management, ERP implementation and Management Consulting.
- Held Finance Leadership roles at ITC, Haldia Petrochemicals, Birla Tyres, Rice Group Jardine Henderson Group, Edcons Group and ex CFO of Consulting Divisions of PWC India and KPMG India.



Suman Varma

Independent Director

- Holds a master's degree in comparative literature from the Jadavpur University.
- Presently consulting to several top corporates on brand building and growth strategies.
- Highly experienced marketing and branding professional with over three decades of experiences. Earlier associated with J Walter Thompson (India), Rediffusion –Y & R (India) and Hamdard Laboratories (India)

Corporate Information

BOARD OF DIRECTORS

Mrs. Ranjana Sen – Chairperson & Executive Director
Mr. Suvankar Sen – Managing Director & CEO
Mrs. Joita Sen – Whole Time Director
Mr. Kumar Shankar Datta – Independent Director
Mr. Bhaskar Sen – Independent Director
Mr. Shankar Prasad Halder – Independent Director
Ms. Suman Varma – Independent Director

CHIEF FINANCIAL OFFICER

Mr. Sanjay Banka

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Mukund Chandak

STATUTORY AUDITORS

M/s. Walker Chandio & Co LLP
Unit 1603 & 1604 EcoCenter,
Plot No. 4, Streeel No 13, EM Block,
Sector V, Bidhannagar, Kolkata - 700 091

REGISTERED & CORPORATE OFFICE

'Diamond Prestige',
41A, A J C Bose Road, 10th floor,
Kolkata - 700017
Website – www.sencogoldanddiamonds.com
Email – corporate@sencogold.co.in
Phone – 033 4021 5000
CIN – L36911WB1994PLC064637

REGISTRAR AND TRANSFER AGENT

KFin Technologies Ltd
Selenium, Tower B, Plot No. 31 and 32,
Financial District,
Nanakramguda, Serilingampally, Rangareddi,
Hyderabad – 500032

BANKERS

Axis Bank Limited
Bandhan Bank Limited
DCB Bank Limited
Federal Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
Indian Bank
Indian Overseas Bank
Kotak Mahindra Bank Limited
RBL Bank Limited
State Bank of India
South Indian Bank Limited
Yes Bank Limited

Directors' Report

Your Directors have the pleasure of presenting the 30th Annual Report of Senco Gold Limited (“the Company”) along with the Audited Financial Statement (both Standalone and Consolidated) for the financial year ended March 31, 2024. This being the first report after the Initial Public Offer (“IPO”) and listing of the equity shares on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (BSE and NSE hereinafter collectively referred as “Stock Exchanges”), the Board welcomes all the stakeholders and look forward to your faith and support in times to come.

1. FINANCIAL SUMMARY

A summary of the financial performance of the Company for the financial year ended March 31, 2024, on a standalone and consolidated basis, is as below:

(Amount in INR Million)

| Particulars | Standalone | | Consolidated | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31 st March, 2024 | 31 st March, 2023 | 31 st March, 2024 | 31 st March, 2023 |
| Revenue from operations | 52,296.64 | 40,755.64 | 52,414.43 | 40,774.04 |
| Other Income | 427.59 | 317.01 | 422.40 | 311.36 |
| Total Income | 52,724.23 | 41,072.65 | 52,836.83 | 41,085.40 |
| Expenditure | 48,483.04 | 37,576.77 | 48,659.33 | 37,607.82 |
| Profits before exceptional items and tax | 2,573.13 | 2,185.86 | 2,495.38 | 2,161.52 |
| Profit after tax | 1,887.50 | 1,609.13 | 1,810.04 | 1,584.79 |

2. INITIAL PUBLIC OFFER (IPO) AND LISTING

During the financial year, the Company came out with the Initial Public Offer through fresh issuance of shares and Offer for Sale.

The issue opened on July 04, 2023 and closed on July 06, 2023. Your Company successfully completed its Initial Public Offering (IPO) and raised INR 4,050 Million comprising of a fresh issue of 8,517,350 Equity Shares of Rs. 10/- each aggregating to INR 2,700 million by the Company and an offer to sale of 4,258,675 Equity Shares of Rs. 10/- each aggregating to INR 1,350 million by SAIF Partners India IV Limited (the Selling Shareholder). The issue was led by the book running Lead Managers viz. SBI Capital Markets Limited, IIFL Securities Limited and Ambit Private Limited.

The issue was oversubscribed around 77 times (i.e., around 16 times in Retail Individual Investor ('RII'), 190 times in the Qualified Institutional Buyer ('QIB'), 68 times in the Non-Institutional Investor ('NII') category).

Pursuant to the Initial Public Offer, the equity shares of the Company were listed in the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) on July 14, 2023. Your Company confirms that it has paid the Annual Listing Fees for the FY 2024-25 to BSE and NSE.

The Company had appointed ICRA Limited as the Monitoring Agency, in terms of the rules and regulations notified by SEBI, to monitor the utilisation of the funds raised through IPO. The reports of the monitoring agency were submitted with the Stock Exchanges on quarterly basis as per the prescribed guidelines. The proceeds raised through IPO were fully utilised

by the Company during the year under review in terms of the objects of the issue as stated in the Prospectus.

The Company have deployed the net IPO funds for working capital as per object of the issue and invested in new store capex and capacity building for future.

3. BUSINESS PERFORMANCE

During the year under review, the total Income from the operation was INR 52,724.23 million as compared to INR 41,072.65 million for the previous year on a standalone basis. The Net Profit was INR 1,887.50 million as compared to INR 1,609.13 million for the FY 2022-23 on a standalone basis.

Your Company is a leading pan-India jewellery retailer with a legacy of more than eight decades and largest in eastern India based on number of showrooms. In line with the growth strategy, the Company continued its business expansion with sharp focus on driving profitability and customer acquisition. During the year under review, the Company added 23 showrooms, thereby expanding its showroom portfolio to 159 (including 66 Franchisee showrooms) as at the end of the year, spread across India having various formats like Classic & Modern, D'Signia, Everlite, House of Senco to cater to various customer segments. The Company diversified its product portfolio recently by launching “Sennes” Brand for leather bags and lab grown diamond jewellery.

During the year, the gold prices increased substantially continuing their upward journey throughout the year based on global uncertainty, war in Israel and middle east and higher buying by Central Banks across the globe. Even in

this challenging scenario, your Company achieved substantial growth. This growth was fuelled by maturity of existing showrooms, higher wedding sales and higher old gold exchange.

4. DIVIDEND

During the year, the Company paid an interim dividend of INR 1/- per share. In addition, the Board of the Company has recommended, subject to approval of the shareholders at the ensuing Annual General Meeting, a final dividend of INR 1/- per share for the year, thereby taking the total dividend for the year to INR 2/- per share amounting to dividend payout of 20%.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the Board has approved the Dividend Distribution Policy, which specifies various factors/parameters to be considered while deciding to recommend or declare a dividend. The Dividend Distribution Policy of the Company is available on the Company's website, at [Dividend Distribution Policy](#).

5. TRANSFER TO RESERVES

As permitted under the provisions of the Companies Act, 2013, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for the Financial Year 2023-24 appearing in the statement of profit and loss account.

6. CHANGE IN NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business of the Company.

7. SHARE CAPITAL

The Authorized Share Capital of your company as on 31st March, 2024 stood at Rs. 1,14,00,00,000/- divided into 100,000,000 Equity Shares of Rs. 10/- each and 1,40,00,000 Compulsory Convertible Non-Cumulative Preference Shares of Rs. 10/- each and issued, subscribed and paid-up share capital was Rs. 77,70,41,730/- divided into 7,77,04,173 Equity Shares of Rs. 10/- each.

Pursuant to issue of 1,32,96,153 Equity Shares of face value Rs. 10/- each on conversion of Compulsory Convertible Preference Shares (CCPS), fresh issue under IPO of 8,517,350 Equity Shares of face value Rs. 10/- each and allotment of 41,017 Equity Shares of face value Rs. 10/- each as per the ESOP Scheme of the Company, the issued, subscribed and paid-up capital stands at Rs 77,70,41,730/- as on 31st March 2024, increased from Rs 69,14,58,060/- as on 31st March 2023.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT

Particulars of loans, guarantees and investments made by the Company pursuant to Section 186 of the Companies Act 2013

are given in the notes to financial statements. The Company has granted loans, provided guarantees and made investment in its wholly owned subsidiary(ies) and other body corporate for their business purpose.

9. PUBLIC DEPOSITS/ JEWELLERY PURCHASE SCHEME

Your Company has been accepting advance from Customers under its jewellery purchase scheme "Swarna Yojana", "Swarna Labh". The scheme is to facilitate customers of the Company to purchase jewellery by making advance payments through easy monthly instalments and also get benefit in the form of discount at the time of purchase of jewellery, based on the duration of the scheme. The requisite details relating to such jewellery purchase scheme, covered under Chapter V of the Act are as under:

- a) Accepted during the year: Rs. 216.11. Cr.
- b) Remained unpaid or unclaimed as at the end of the year: Rs 156.39 Cr
- c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved:
 - i) at the beginning of the year: NIL
 - ii) Maximum during the year: NIL
 - iii) at the end of the year: NIL

There were no deposits not in compliance with the requirements of Chapter V of the Companies Act, 2013. The Company has no advance from customers lying with it for more than three hundred and sixty-five days as on the end of the year under review.

10. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the report on performance and financial position of subsidiaries is included in the Consolidated Financial Statements of the Company. The Company has a policy for determining the materiality of a subsidiary, which is available at : [POLICY FOR DETERMINING MATERIAL SUBSIDIARIES](#)

As of March 31, 2024, your Company had the following wholly owned subsidiary companies:

i) Senco Gold Artisanhip Private Ltd., India

Senco Gold Artisanhip Private Limited (SGAPL) is a wholly owned subsidiary of the Company which was incorporated on 14th October, 2020 and is engaged in the business of manufacturing, sale and trading of gold jewellery, diamond studded jewellery and jewellery made of silver, platinum and precious and semi-precious stones, gold coins and other metals. The separate audited

financial statements of SGAPL, are available on the Company's website on www.sencogoldanddiamonds.com/FinancialsofSencoGoldArtisanshipPvtLtd

ii) Senco Global Jewellery Trading LLC, Dubai, UAE

Senco Global Jewellery Trading LLC (SGJTL) was incorporated on 14th February, 2023 in Dubai (UAE) as a wholly owned subsidiary of the Company as a part of the Company's global expansion plan. SGJTL is engaged in the business of trading and retail of gold, diamond, stones and its jewellery. The Company is also operating one retail store at Dubai, UAE. The separate audited financial statements of SGJTL, are available on the Company's website on www.sencogoldanddiamonds.com/FinancialsofSencoGlobalTradingLLC

Both these wholly owned subsidiaries are in the initial phase of their launch and have incurred initial losses during the year amounting to Rs 16.12 Million for Senco Gold Artisanship Private Limited and Rs 36.46 Million for Senco Global Jewellery Trading LLC which have been adjusted in consolidated financials.

Pursuant to Section 129(3) of the Companies Act, 2013 ("the Act") read with Rule 5(1) of the Companies (Accounts) Rules, 2014, the statement containing the salient feature of the financial statement of a Company's subsidiary is enclosed as **Annexure-I** in the Form AOC-1, forming part of this report.

The Company does not have any Joint Venture or an Associate Company.

11. MANAGEMENT DISCUSSION AND ANALYSIS

A review of the performance and future outlook of the Company and its businesses, as well as the state of the affairs of the business, along with the financial and operational developments have been discussed in detail in the Management Discussion and Analysis Report, which forms part of the Annual Report.

12. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING (BRSR)

The Securities and Exchange Board of India (SEBI), through a notification dated May 5, 2021, made certain amendments to the SEBI Listing Regulations. One of the key changes is the requirement to submit a Business Responsibility and Sustainability Report (BRSR) instead of the existing Business Responsibility Report. Furthermore, a circular also mandates the top 1,000 listed companies (by market capitalization) to comply from FY 2023-24 onwards. The Company has prepared the Business Responsibility and Sustainability Report (BRSR) for the financial year ended March 31, 2024, in accordance with the format prescribed in the SEBI Circular.

The Company believes that transparent, accurate, and comprehensive disclosure practices not only aid in strategic

decision-making but also help in demonstrating incremental value created for all groups of stakeholders.

The Business Responsibility & Sustainability Report for the year under review, as stipulated under Regulation 34(2)(f) of the Listing Regulations, describing the initiatives taken by the Company from a social and governance perspective, forms an integral part of the Annual Report.

13. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The following material changes took place in the Financial Year 2023-24:

- The Company has allotted 85,17,350 equity shares of INR 10/- each issued at the price of INR 317/- per share under IPO;
- The Company has allotted 1,32,96,153 equity shares of INR 10/- each upon conversion of Compulsorily Convertible Cumulative Preference Shares (CCPs);
- The Company listed its equity shares on National Stock Exchange of India Limited and BSE Limited on July 14, 2023;
- Launch of Sennes Brand;
- Initial capital contribution towards launch of B2B and Retail Business in Dubai, UAE through wholly owned subsidiary which was launched in February, 2024.

Other than as disclosed in the financial statements, there have been no material changes or commitments, if any, affecting the financial position of the Company which occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

14. RISK MANAGEMENT POLICY

In line with the regulatory requirement, your Company has framed Risk Management Policy to identify, analyse and prioritize risk, develop risk mitigation plan and reporting on the risk environment of the Company. Your Company continuously evaluates and monitors the various internal and external risks surrounding its business environment and seeks to mitigate and minimize any challenges or adverse impact on its business objective. Recommendations/ Observations of the Risk Management Committee are submitted to the Board. The Committee and the Board review the Risk Assessment procedures periodically to ensure that risks are controlled/mitigated by the management.

During the period under review, the management identified and assessed strategic/technology, operational/business, industry/regulatory, financial/legal and environment/ governance risks and opportunities. Risk treatment actions were defined to reach acceptable risk levels at each stage. The risks have been regularly reviewed by the Risk Management Committee from time to time during the year and necessary mitigation steps as advised have been taken by management team.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes to integrate social and environmental concerns in its business operations and interactions with its stakeholders. It has always worked toward building trust with all its stakeholders based on the principles of good corporate governance, integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. The Company will work towards leveraging its expertise for various social causes and encourage its employees to volunteer for the CSR program of the Company. Your Company has well defined policy on CSR as per the requirement of Section 135 of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. Your Company discharges its Corporate Social Responsibility obligations through registered Implementing Agency namely P.C. Sen Charitable Trust by supporting projects in the areas of Health, Education, Women Empowerment, Environment Sustainability and Ecological Balance as prescribed under Schedule VII of the Companies Act, 2013.

A brief outline of the CSR philosophy, salient features of the CSR Policy of the Company, the CSR initiatives undertaken during the financial year 2023-24 together with progress thereon and the report on CSR activities in the prescribed format, as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, are set out in **Annexure - II** to this Report and the CSR Policy can be accessed using the link [CSR Policy](#)

16. CORPORATE GOVERNANCE

The Corporate Governance practice of your Company is a true reflection of the values and morale of the Company, which is committed to implementing the best practices of Corporate Governance and to managing the affairs of the company with integrity, transparency and accountability as the driving force.

Your Company has complied with the Corporate Governance requirements under the Act and as stipulated under the SEBI Listing Regulations as amended from time to time. A separate section on Corporate Governance under the SEBI Listing Regulations, along with the certificate from the Practicing Company Secretary confirming the compliance, forms part of this report.

17. EMPLOYEE STOCK OPTION SCHEME

Your Company grants Employee Stock Option that would enable the employees to share the value they create for the Company in the years to come. Accordingly, pursuant to the approval of the Board and the members of the Company and in terms of the provisions of applicable laws, your Company has duly implemented Senco Gold Limited Employee Stock Option Scheme –2018 (ESOPs, 2018 Scheme) as amended. The Nomination Remuneration and Compensation Committee is entrusted with the responsibility of administering the ESOPs, 2018 Scheme.

During the year under review, subsequent to the Initial Public Offering ('IPO') of its equity shares, your Company suitably amended and ratified the ESOPs, 2018 Scheme by passing special resolution via Postal Ballot on June 07, 2024 to meet regulatory requirements mandated by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations").

The applicable disclosures as stipulated under Regulation 14 of SEBI SBEB Regulations with regard to Employees Stock Option Plan of the Company are available on the website of the Company and weblink for the same is www.sencogoldanddiamonds.com/Annual-Disclosure-ESOP

A certificate from the Secretarial Auditors of the Company, confirming that the aforesaid scheme have been implemented in accordance with the SEBI SBEB Regulations, will be open for inspection at the ensuing 30th Annual General Meeting.

18. PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION

Particulars of employees covered by the provisions of Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure -III** to this Report. In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees drawing remuneration and other particulars, as prescribed in the said Rules forms part of this report. However, in terms of first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information, is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary.

19. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Companies Act, 2013 (hereinafter referred as "the Act") and Articles of Association of the Company, Mr. Suvankar Sen (DIN: 01178803), Managing Director & CEO, retires by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The brief resume and other disclosures relating to the Director who is proposed to be re-appointed, as required to be disclosed pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard 2 are given in the **Annexure – A** to the Notice of the 30th Annual General Meeting.

During the year under review, Mr Vivek Kumar Mathur (DIN: 03581311) tendered his resignation as Nominee Director with effect from the close of business hours of 29th February, 2024 due to withdrawal of Nomination by SAIF Partners India IV Limited post IPO following highest standards of corporate governance.

The details of Board and Committees composition, tenure of directors, areas of expertise, terms of reference and other details are available in the Corporate Governance Report that forms a part of this Annual Report.

Declaration of independence

The Company has received necessary declaration from each Independent Director of the Company stating that:

- they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations; and
- as required vide Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 they have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs. Based on the declarations received from the Directors, the Board confirms, that the Independent Directors fulfil the conditions as specified under Schedule V of the Listing Regulations and are independent of the management.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the Listing Regulations, Mr. A.K. Labh, Practising Company Secretary, has certified that none of the Directors on the Board of the Company has 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 statutory authority and the certificate forms part of this Annual Report.

Key Managerial Personnel

Mr. Surendra Gupta, resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. 24th June, 2024. Mr. Mukund Chandak was appointed as the Company Secretary & Compliance Officer via Board Resolution dated June 27, 2024, based on the recommendation of the Nomination Remuneration & Compensation Committee.

Mr Suvankar Sen (DIN : 01178803) continues to be the Managing Director & CEO of the Company & Mr. Sanjay Banka continues to be the Chief Financial Officer of the Company.

Number of meetings of the Board of Directors

During the year under review the Board of Directors held 14 meetings, the details of which are provided in the Corporate Governance Report. The maximum gap between any two meetings was less than 120 days, as stipulated under SEBI Listing Requirements, 2015. The details of Board Meetings held, and attendance of Directors are provided in the Report on Corporate Governance forming part of this report.

Separate meeting of Independent Directors

Details of the separate meeting of the Independent Directors held and attendance of Independent Directors therein are provided in the Report on Corporate Governance, forming part of this Report.

20. ANNUAL RETURN

As required under Section 92(3) of the Act, the Company has placed a copy of the Annual Return on the website at [Investor Relations \(sencogoldanddiamonds.com\)](http://InvestorRelations@sencogoldanddiamonds.com)

21. NOMINATION AND REMUNERATION POLICY

The Board has framed and adopted a Nomination and Remuneration Policy ("NRC Policy") in terms of Section 178 of the Act and SEBI Listing Regulations. The NRC Policy, inter-alia, lays down the principles relating to appointment, cessation, remuneration and evaluation of Directors, Key Managerial Personnel and Senior Management employees and other matters as provided under Section 178 of the Act and SEBI Listing Regulations. The remuneration paid to the Directors is as per the terms laid out in the NRC Policy of the Company.

The NRC Policy is available on the website of the Company at: [NRC Policy](#)

22. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with rules made thereunder, Regulation 17(10) of the SEBI Listing Regulations and the Guidance note on Board evaluation issued by SEBI vide its circular dated January 5, 2017, the Company has framed a policy for evaluating the annual performance of its Directors, Chairman, the Board as a whole, and the various Board Committees. The Nomination, Remuneration and Compensation Committee of the Company has laid down parameters for performance evaluation in the policy.

The Board also evaluated the performance of each of the Directors, the Chairman, the Board as whole and all committees of the Board. The process of evaluation is carried out in accordance with the Board Evaluation Policy of the Company and as per the criteria laid down by the NRC Committee. The Board members were satisfied with the evaluation process.

23. BOARD INDUCTION, TRAINING AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Every Director is familiarised and oriented about the business and the key operational procedures of the Company by the Independent Professionals on a continuous basis through various presentations and sessions. They are provided deep insights on various matters including values, mission and vision of the Company, group & organisation structure, Board procedures, senior management, industry in which the Company operates, business & operations, strategies, competition, products and new launches, market presence, revenues, budgets, regulatory updates, sustainability, internal controls, material risks along with their mitigation plans.

The details of the above familiarization programmes for the Independent Directors can be accessed at : [Policy for Familiarization for Independent Directors](#)

24. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control is an essential part of the Corporate Governance and management of the Company. The Company has defined the operating principles for internal control. The Audit Committee monitors the effectiveness and efficiency of the internal control systems and the correctness of the financial reporting. The aim of internal control is to ensure reliability of financial reporting, effectiveness and efficiency of operations as well as compliance with laws and regulations. Control of financial reporting assures that financial statements are prepared in a reliable manner. The aim is also to ensure that all financial reports published and other financial information disclosed by the Company provide a fair view on the Company's financial situation. Control of operations is aimed at ensuring effectiveness and efficiency of operations and achievement of the Company's strategic and financial objectives. Control of compliance ensures that the Company follows applicable laws and regulations.

Details in respect of adequacy of internal financial controls with reference to the financial statement are given in the Management's Discussion and Analysis, which forms part of the Annual Report.

Your Company's internal audit process is carried out by M/s Moore Singhi Advisors LLP, Internal Auditors at all business places across the country as well as our in-house Audit team regularly visit our own store to conduct the Branch Audit. The objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013 and corporate policies.

A summary of all significant findings by the audit department along with the follow-up actions undertaken thereafter is placed before the Audit Committee for review. The Audit Committee reviews the comprehensiveness and effectiveness of the report and provides valuable suggestions and keeps the Board of Directors informed about its major observations, from time to time.

25. RELATED PARTY TRANSACTIONS & CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in ordinary course of business and on an arm's length basis. There were no Material Related Party Transaction by the Company during the year.

Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are planned/ repetitive in nature and omnibus approvals are taken as per the policy laid down for unforeseen transactions. Related Party Transactions entered into pursuant to omnibus approval so granted are placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Related Party disclosures as per Ind AS 24 have been provided in Notes to accounts annexed to the financial statements.

The Policy on Materiality of and Dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at [Policy on Materiality of Related Party Transactions](#)

26. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors of the Company confirms to the best of their knowledge and ability, that:

- a. in the preparation of the Annual Accounts for the Financial Year during the year under review, the applicable accounting standards have been followed along with the proper explanation relating to material departures;
- b. your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company for the Financial Year during the year under review, and of its Profit and Loss for the Financial Year ended on that date;
- c. your Directors have taken proper and sufficient care 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. your Directors have prepared the annual accounts for the financial year during the year under review on a 'going concern' basis;
- e. your Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively; and
- f. your Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

27. AUDITORS AND THEIR REPORT

Statutory Auditor

The members at the 25th Annual General Meeting had appointed M/s. Walker Chandiook & Co LLP, Chartered Accountants, Kolkata (FRN 001076N/N500013) as the Statutory Auditors of the Company for a period of five years, to hold office until

the conclusion of the 30th Annual General Meeting of the Company.

The Board of Directors based on the recommendation of the Audit Committee, proposed the re-appointment of M/s. Walker Chandio & Co LLP, Chartered Accountants, Kolkata (FRN 001076N/N500013) as the Statutory Auditors of the Company for a further period of five years, from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting of the Company. M/s Walker Chandio & Co LLP have confirmed that they satisfy the Independence criteria required under the Act and Code of Ethics issued by the Institute of Chartered Accountants of India and also confirmed that they are eligible to be re-appointed and that they have not been disqualified in any manner from continuing as Statutory Auditor.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

The Statutory Auditors' Report for FY 2023-24 does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the Financial Statements in this Annual Report.

Secretarial Auditor

In terms of the provisions of Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 and Regulation 24A of the SEBI LODR Regulations, your Company has appointed M/s. A. K. Labh & Co., Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for FY 2023-24 Secretarial Audit Reports of the Company in the prescribed Form No. MR-3 is attached as **Annexure –IV** forming part of this Report.

The Secretarial Audit Report of your Company does not contain any qualification, reservation, adverse remark or disclaimer.

Further, the Board of Directors on the recommendation of the Audit Committee, has appointed M/s. A. K. Labh & Co., Company Secretaries as the Secretarial Auditor of the Company for the FY 2024-25.

Internal Auditors

M/s. Moore Singhi Advisors LLP, Chartered Accountants, were appointed as Internal Auditors of the Company for FY 2023-24. The reports submitted by the Internal Auditors have been reviewed by the Audit Committee from time to time.

Further, the Board of Directors on the recommendation of the Audit Committee, has appointed M/s. Moore Singhi Advisors LLP, Chartered Accountants as the Internal Auditors of the Company for the FY 2024-25.

28. SECRETARIAL STANDARDS

Your Company is in regular compliance of the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

29. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (POSH ACT)

Your Company believes in providing a safe and free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the POSH Act, and the rules framed thereunder, including the constitution of the Internal Committee. The Company has framed "Prevention of Sexual Harassment at Workplace Policy" which is available on the Company website at [POSH Policy](#).

During the year under review, no complaint has been received for sexual harassment of woman at workplace.

30. VIGIL MECHANISM

Your Company believes in conduct of the affairs of its business in a fair and transparent manner by adopting highest standards of honesty, integrity, professionalism and ethical behaviour. Your Company has established a Vigil Mechanism pursuant to Whistle-Blower Policy ("Policy") in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations with a view to provide a platform and mechanism for Employees, Directors and other stakeholders of the Company to report actual or suspected unethical behaviour, fraud or violation of the Company's Code of Conduct, ethics, principles and matters specified in the policy without any fear of retaliation and also provide for direct access to the Chairperson of the Audit Committee as the case may be, in exceptional cases.

The Company affirms that in compliance with the Whistle-Blower Policy/Vigil Mechanism no personnel had been denied access to the Audit Committee. The policy is available on the Company's website and can be accessed at [Vigil Mechanism / Whistle Blower Policy](#)

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

Information pursuant to the provisions of Section 134 of the Companies Act, 2013 and the rules framed thereunder, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, forms part of this Report and is given at **Annexure –V**.

32. TRANSFER OF UNCLAIMED DIVIDEND AND UNCLAIMED SHARES

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, there was no dividend which remained outstanding or remained to be paid & required

to be transferred to the IEPF by the Company during the year ended March 31, 2024.

33. COST AUDIT

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

34. 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 Act (including any statutory modification(s) or re-enactment(s) for the time being in force).

35. PREVENTION OF MONEY LAUNDERING ACT

The Company has taken proper steps to comply with the guidelines of the Prevention of Money Laundering Act (PMLA) as applicable on the dealers in precious metals and precious stones. The Company has registered itself as a Reporting Entity with Financial Intelligence Unit (FIU) and has appointed the Designated Director and the Principal Officer in terms of the guidelines. The PMLA laws requires such entities indulging in cash transactions with a single customer repeatedly or through a series of transactions in a month to report the same to FIU when such transactions exceed Rs 10 lakh and also to report any suspicious transactions. The Company has adopted procedures to check such transactions. Proper KYC documents are being taken from the customers and wherever applicable, reporting with FIU is being done.

36. OTHER DISCLOSURES

During the year under review, the Company has:

- a) not made any application and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

- b) not made any application for One Time Settlement (OTS) with any Banks or Financial Institution.
- c) not issued Shares with Differential Voting Rights and Sweat Equity Shares.
- d) None of the Whole-time Directors of the Company receive remuneration or commission from any of its subsidiaries.
- e) no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future. It is pertinent to note that in recent Budget, Effective Customs duty (inclusive of AIDC) on Gold has been reduced from 15% to 5% which may have a short term impact on profitability of company for FY 2024-2025 but will have long term ameliorative effect on Gold demand.

37. APPRECIATION AND ACKNOWLEDGEMENT

The Board would like to acknowledge and place on record its sincere appreciation to all stakeholders – shareholders, bankers, dealers, vendors, karigars and other business partners for the unstinted support received from them during the year under review. The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their commitment, dedication and contribution towards the operations of the Company. The Board also expresses its appreciation to the working capital consortium bankers who have continued to show their faith and trust by proving and constantly enhancing working capital facilities to us.

Your Board would also like to thank the merchant bankers, legal counsels and other intermediaries involved with the IPO for helping the Company achieving successful IPO and listing. Your Board would also like to thank the regulatory authorities like SEBI, MCA and ROC for enabling the Company to take its equity story to the public market. Further your Board extends their heartfelt gratitude to the shareholders for investing in the IPO and reposing their continuous trust and faith in the Company & its management.

Place: Kolkata
Date: 13-08-2024

For and on behalf of the Board
Ranjana Sen
Chairperson & Executive Director
DIN: 01226337

Annexure- I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiary / Associate Company / Joint Venture

Part “A”: Subsidiary

(Amount in Million)

| 1 | Name of the Subsidiary Company | Senco Gold Artisanship Private Limited | Senco Global Jewellery Trading LLC |
|----|---|--|--|
| 2 | Date since when the subsidiary was acquired/ incorporated | 14-10-2022 | 14-02-2023 |
| 3 | Reporting period of the subsidiary concerned | 1 st April, 2023- to 31 st March, 2024 | 1 st April, 2023- to 31 st March, 2024 |
| 4 | Reporting Currency and Exchange rate | INR | AED |
| 5 | Share Capital | 65.00 | 3.00 |
| 6 | Reserves & Surplus | -51.00 | -1.02 |
| 7 | Total Assets | 224.58 | 10.33 |
| 8 | Total Liabilities | 210.58 | 8.34 |
| 9 | Investments | - | - |
| 10 | Turnover | 422.45 | 13.33 |
| 11 | Profit before taxation | -16.00 | -1.02 |
| 12 | Provision for taxation | 0.12 | - |
| 13 | Profit after taxation | -16.12 | -1.02 |
| 14 | Proposed Dividend | - | - |
| 15 | % of shareholding | 100% | 100% |

Names of subsidiaries which are yet to commence operations: Nil

Names of subsidiaries which have been liquidated or sold during the year: Nil

Part “B”: Associates & Joint Ventures: NIL

For and on behalf of the Board of Directors

Mrs. Ranjana Sen
Chairperson & Executive Director
DIN: 01226337

Mr. Suvankar Sen
Managing Director & CEO
DIN: 01178803

Place: Kolkata
Date: 23-05-2024

Annexure -II

Annual Report on Corporate Social Responsibility Activities

for Financial Year 31st March 2024

1. Brief outline on CSR Policy of the Company for undertaking the CSR activities of the company includes the following:

- ◆ Promoting Healthcare
- ◆ Promoting education, enhancing vocational skills and livelihood enhancement projects

These projects are in accordance with Schedule VII of The Companies Act, 2013. The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------------|--------------------------------------|--|--|
| 1 | Mr. Suvankar Sen | MD & CEO | 2 | 2 |
| 2 | Mrs. Joita Sen | Whole-time Director | 2 | 2 |
| 3 | Mr. Kumar Shankar Datta | Independent Director | 2 | 2 |
| 4 | Mr. Bhaskar Sen* | Independent Director | 2 | - |
| 5 | Mrs. Ranjana Sen* | Chairperson & Executive Director | 2 | - |
| 6 | Ms. Suman Varma | Independent Director | 2 | 1 |
| 7 | Mr. Vivek Kumar Mathur** | Independent Director | 2 | 1 |

*Mrs. Ranjana Sen and Mr. Bhaskar Sen were appointed as a Member with effect from 09.03.2024

**Mr. Vivek Kumar Mathur ceased to be a member of CSR Committee with effect from the close of business hours of 29.02.2024 due to his resignation from his position as Nominee Director.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [CSR Policy](#)
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable
5. (a) Average net profit of the company as per sub-section (5) of section 135.: Rs. 160.09 Crore
 (b) Two percent of average net profit of the company as per section 135(5): Rs. 3.20 Crore
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL
 (d) Amount required to be set off for the financial year, if any.: Not Applicable
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)].: Rs. 3.20 Crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).: Rs 3.04 Crore
 (b) Amount spent in Administrative Overheads: Rs 0.16 Crore
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable
 (d) Total amount spent for the Financial Year [(a)+(b) +(c)].: Rs 3.20 Crore

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent as on Financial Year 2023-24 (Rs. in Cr.) | Amount Unspent (Rs. In Cr.) | | | | |
|---|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 3.20 | Nil | NA | NA | NA | NA |

(f) Excess amount for set off, if any:

| Sl. No. | Particular | Amount (in Rs.Cr.) |
|---------|---|-----------------------|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | NIL |
| (ii) | Total amount spent for the Financial Year | NIL |
| (iii) | Excess amount spent for the financial year [(ii)- (i)] | NIL |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)- (iv)] | NIL |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.Cr.) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs. Cr.) | Amount spent in the reporting Financial Year (in Rs. Cr.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial year (in Rs. Cr.) | Deficiency, if any |
|---------|--------------------------|---|--|---|---|---------------------|------------------|--|--------------------|
| | | | | | Name of the Fund | Amount (in Rs. Cr.) | Date of transfer | | |
| Nil | | | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
If yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|----------------|---|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| Not Applicable | | | | | | | |

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).: Not Applicable

For and on behalf of the Board of Directors

Mrs. Ranjana Sen
Chairperson & Executive Director
DIN: 01226337

Mr. Suvankar Sen
Chairman of CSR Committee
DIN: 01178803

Annexure III

Statement pursuant to Rule 5(2) and 5(3) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year ended 31st March 2024

- (i) **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2023-24**

| Sr. No. | Name | Ratio |
|---------|--|-------|
| 1 | Mrs. Ranjana Sen, Chairperson & Executive Director | 35.68 |
| 2 | Mr. Suvankar Sen, Managing Director & CEO | 96.87 |
| 3 | Mrs. Joita Sen, Whole Time Director | 30.89 |

- (ii) **Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2023-24:**

| Sr. No. | Name | Designation | % Increase |
|---------|---------------------|----------------------------------|------------|
| 1 | Mrs. Ranjana Sen | Chairperson & Executive Director | 10.00 |
| 2 | Mr. Suvankar Sen | MD & CEO | 10.00 |
| 3 | Mrs. Joita Sen | Whole Time Director | 10.00 |
| 4 | Mr. Sanjay Banka | CFO | 23.00 |
| 5 | Mr. Surendra Gupta* | Company Secretary | 17.00 |

* Mr. Surendra Gupta tendered his resignation from the post of Company Secretary & Compliance Officer with effect from close of business hours of 24-06-2024.

- (iii) **The percentage increase in the median remuneration of employees in the financial year 2023-24: 11.21%**
- (iv) **The number of permanent employees on the rolls of the company: 2688**
- (v) **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 point out if there are any exceptional circumstances for increase in the managerial remuneration:**
The average percentage increase for the Financial Year 2023-24 was 13% across all levels. Increase in the managerial remuneration is based on market trends and performance criteria as determined by the Board of Directors and on the recommendation of the Nomination Remuneration & Compensation Committee.
- (vi) **The key parameters for any variable component of remuneration availed by the directors:**
The variable component of remuneration availed by Directors (WTDs & MD) depends on three key parameters: 1. Turnover of the Company 2. Growth of the Company & 3. New initiatives undertaken by the Directors, if any.
- (vii) **Affirmation that the remuneration is as per the remuneration policy of the company:**
It is affirmed that the remuneration paid is as per the Remuneration Policy, applicable for Directors, Key Managerial Personnel and other employees adopted by the Company.

Annexure IV

Secretarial Audit Report

For the Financial Year ended 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Senco Gold Limited
'Diamond Prestige'
41A, A.J.C. Bose Road
10th Floor, Unit No. 1001
Kolkata - 700017

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Senco Gold Limited having its Registered Office at 'Diamond Prestige', 41A, A.J.C. Bose Road, 10th Floor, Unit No. 1001, Kolkata – 700017, West Bengal (hereinafter called the Company). Secretarial Audit 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2024 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.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form

an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2024 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and
- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. The Bureau of Indian Standards (Hallmarking) Regulations, 2018
2. Legal Metrology Act, 2009
3. Intellectual Property Acts

to the extent of its applicability to the Company during the financial year ended 31.03.2024 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.

- (b) 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.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that :

- (a) The Company had made allotment of 24,314 and 16,703 equity shares of Rs.10/- each to the eligible employees of the Company pursuant to the exercise of options under Senco Gold Employees Stock Options Scheme 2018 as approved by the Nomination, Remuneration and Compensation Committee of the Board vide their resolutions dated 18th December, 2023 and 9th March, 2024 respectively during the year under report.
- (b) 1,32,96,153 Compulsorily Convertible Preference Shares of face value of Rs. 10/- each of the Company were converted into equal number of 1,32,96,153 equity shares of Rs. 10/- each during the year under report.
- (c) The Company had taken approval from the shareholders under Section 180(1)(c) and 180(1)(a) for increasing the borrowing limit to Rs. 3,000 Crores and creation of security / charge in respect of such borrowing at Annual General Meeting held on 27.06.2023 during the year under report.
- (d) The Company is in process to make application for rectification of the e-form AOC-4(XBRL) for the year ended 31.03.2023 as filed with the Office of the Registrar of Companies, West Bengal.
- (e) The Company is in compliance with Regulations 3(5) and 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015 and has a Structured Digital Database in place.
- (f) The Company is in process of taking contingency insurance in terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022.
- (g) The equity shares of the Company have been listed at BSE Limited and National Stock Exchange of India Limited w.e.f. 14.07.2023.

For **A. K. LABH & Co.**
Company Secretaries

(CS A. K. LABH)
Practicing Company Secretary
FCS : 4848 / CP No. : 3238
UIN : S1999WB026800
PRCN : 1038/2020
UDIN: F004848F000959219

Place : Kolkata
Dated : 12-08-2024

Annexure-V

Statement of Particulars under Rule 8(3) of The Companies (Accounts) Rules, 2014

1. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

In its endeavours towards conservation of energy your Company ensures optimal use of energy, avoid wastages and endeavours to conserve energy as far as possible.

B. STEPS TAKEN FOR UTILISING ALTERNATE SOURCES OF ENERGY

Your Company places very high importance to Green Energy and Green Earth and even though our operations do not use significant energy, we still continue to evaluate application of renewable energy options including Solar wherever possible. We are looking forward to implementing such measures in FY 2024-2025.

C. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

As the energy consumption to total turnover is very minimal, investment in Energy Conservation Equipment is presently not required.

2. PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

A. EFFORTS IN BRIEF TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has always been aware of the latest technological developments and adapted them to make products more cost-effective and to attain high levels of quality.

B. BENEFITS DERIVED

1. The benefits derived by the Company for such adaptation have been evident in reducing cost, improving design, upgrading existing products and developing new products. Thus, it helped the Company to satisfy consumer needs and business requirements.
2. Future plan of action: Emphasis will continue to be laid on innovative products keeping in view the need and choice of consumers, innovative design and adoption of latest technology and know-how to make products more cost-effective as well as of high quality.

C. IMPORTED TECHNOLOGY

Technology imported : None
 Year of import : Not applicable
 Has technology been fully absorbed? : Not applicable

D. RESEARCH & DEVELOPMENT

1. The R&D activities of the Company are specifically focused on developing new products and improving existing products and analytical methods.
2. The result of such dedicated research work is the constant and innovative expansion in the range of products and achieving greater levels of quality by improved consumption of raw materials and reduction in wastage.
3. The Company's efforts are directed towards creating value-added products for all consumer segments. It is focused on innovative design to achieve consumer appeal as well as providing convenience to consumers.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company's foreign exchange earnings and outgo are as under:

Foreign Exchange Earnings : Rs. 169.76 Crore

Foreign Exchange Outgo : Rs. 27.25 Crore

Place: Kolkata
Date: 13-08-2024

For and on behalf of the Board
Ranjana Sen
Chairperson & Executive Director
Senco Gold Limited
DIN: 01226337

Corporate Governance Report

for the year ended March 31, 2024

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Senco Gold Limited ("Senco") firmly believes in adhering to established corporate governance practices in order to protect the interests of investors and ensure healthy growth of the Company. The Company stringently complies with the corporate governance practices as enumerated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 {hereinafter referred to as "the SEBI Listing Regulations, 2015" or SEBI (LODR)}.

The corporate governance processes and systems have gradually been strengthened over the years. The objective of an effective corporate governance mechanism according to a global consensus entails long-term maximization of shareholders' value. Senco believes in superior customer service & strives towards excellence in production, designing and customer experience. The Company at the same time ensures full compliance with regulatory disclosure requirements. The Company has always given its best efforts to uphold and nurture these values across all operational aspects.

The Company believes that the concept of corporate governance is founded upon the core values of transparency, empowerment, accountability, independent monitoring, environmental consciousness and sustainable value creation. The Company's overall governance framework reflect and support its Mission, Vision and Values. Transparency, Honesty and Integrity serve as the three main pillars of Senco. As a means to this end, the Company formed a Board comprising reputed experts, and inducted persons of eminence as Independent Directors. These people contribute to corporate strategizing and provide external perspectives, wherever appropriate.

BOARD OF DIRECTORS

a. Introduction

The Board of Directors is the apex body that governs the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, its management policies and their effectiveness. It also ensures that the long-term interests of stakeholders are being served. The Board plays a pivotal role in ensuring good governance. The Board's

role, functions, responsibility and accountability are clearly defined in this regard.

The members of the Board hail from diverse backgrounds, skilled and experienced in areas like Banking, Finance, Entrepreneurship, Marketing, IT, Taxation, Consumer Behaviour Mapping as well as General Managerial aspects. Many of them have worked extensively in Senior Managements of global corporations and formed an in-depth understanding of the Indian business environment. The Managing Director & CEO and Executive Directors are assisted by the CFO/CS/ Senior Managerial Personnel's in overseeing the functional matters of the Company.

The Board reviews its strength and composition from time to time to ensure that it remains aligned with statutory as well as business requirements.

The Meetings of Board of Directors and Board level Committees are usually held at the Registered Office of the Company at "Diamond Prestige" 41A, A.J.C. Bose Road, 10th Floor, Unit No. 1001 Kolkata-700017 and the Company has all the facilities of holding such meetings through Video conferencing.

b. Composition of the Board

The Board of Directors comprises professionals drawn from diverse fields, resulting in a wide range of skills and experience being brought to the Board. The Company's policy is to maintain an optimal combination of Executive and Non-Executive Directors. As on 31st March 2024, the Board comprised of Seven Directors out of which Two are Executive Directors, One Managing Director and Four Independent Directors. The Company also has three Women Directors, including one Independent Woman Director, on its Board. The detailed profiles of all the Directors are available on the Company's website: <https://sencogoldanddiamonds.com/board-of-directors>

The Company complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 (1) of the SEBI Listing Regulations, 2015 with respect to the Composition of the Board. The Composition of the Board and category of Directors as on March 31, 2024, are as under:

Name and Category of Directors

| Executive Directors | Non-Executive Directors |
|---|---|
| Mrs. Ranjana Sen, Chairperson & Executive Director | Mr. Bhaskar Sen, Non-Executive Independent Director |
| Mr. Suvankar Sen, Managing Director & CEO, Promoter | Mr. Kumar Shankar Datta, Non-Executive Independent Director |
| Mrs. Joita Sen, Executive Director | Mr. Shankar Prasad Halder, Non-Executive Independent Director |
| | Ms. Suman Varma, Non-Executive Independent Director |

During the year Mr. Vivek Kumar Mathur ceased to be a Nominee Director upon withdrawal of nomination by SAIF Partners India IV Limited effective from the close of business hours of 29th February 2024.

All the Independent Directors comply with the definition of Independent Director as given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations, 2015. At the time of appointment/re-appointment and at the commencement of each financial year, every Independent Director signs a declaration to confirm that he/she fulfils all the conditions for being an Independent Director as laid down by the law. All Independent Directors have also confirmed that their names are duly registered in the data bank of Independent Directors as maintained by the Indian Institute of Corporate Affairs in terms of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time.

While appointing/reappointing an Independent Director/ Non-Executive Director/ Executive Director on the Board, the Nomination, Remuneration & Compensation Committee (NRC Committee) considers the criteria as laid down in the Companies Act, 2013 and Regulation 16(1) (b) of SEBI Listing Regulations, 2015 and Board Diversity policy.

c. Number of Board meetings and the Directors present therein

The Board of Directors held fourteen meetings during the year on May 16, 2023; June 3, 2023; June 6, 2023; June 16, 2023; June 22, 2023; June 26, 2023; June 27, 2023; June 28, 2023; July 9, 2023; August 14, 2023; November 9, 2023; December 14, 2023; February 13, 2024; and March 9, 2024.

Details of board meetings held during the financial year and the number of Directors present:

| Dates on which the Board Meetings were held | Strength of the Board | No. of Directors present |
|---|-----------------------|--------------------------|
| May 16, 2023 | 8 | 6 |
| June 3, 2023 | 8 | 7 |
| June 6, 2023 | 8 | 7 |
| June 16, 2023 | 8 | 7 |
| June 22, 2023 | 8 | 7 |
| June 26, 2023 | 8 | 7 |
| June 27, 2023 | 8 | 8 |
| June 28, 2023 | 8 | 7 |
| July 9, 2023 | 8 | 8 |
| August 14, 2023 | 8 | 8 |
| November 9, 2023 | 8 | 8 |
| December 14, 2023 | 8 | 8 |
| February 13, 2024 | 8 | 8 |
| March 9, 2024 | 7 | 7 |

The maximum time gap between any two meetings was less than 120 days as prescribed under Regulation 17(2) of SEBI Listing Regulations, 2015. Video-conferencing facilities is also used to facilitate Directors' participation from other locations to attend the Board/Board-level Committee Meetings. The Company had arranged participation in the meeting through video conferencing. All necessary compliances were made by the Company whenever the Directors used the videoconferencing facility in the Board/Board-level Committee Meetings.

d. Attendance of Directors at Board meetings, last Annual General Meeting, relationship with other Directors, number of Directorships held and Chairmanship or memberships of committees of each Director in various companies as on March 31, 2024.

| Name of Director and DIN | Position | Relationship with other Directors | Date of joining | Number of Board meetings attended | Number of directorships held in other Public Limited Companies as on 31-03-2024* | Number of committee positions held in public limited Companies (including Senco) as on 31-03-2024** | Attendance at the last AGM |
|-----------------------------------|-----------------------------------|--|-----------------|-----------------------------------|--|---|----------------------------|
| Mr. Suvankar Sen DIN: 01178803 | Managing Director & CEO, Promoter | Son of Mrs. Ranjana Sen and husband of Mrs. Joita Sen | 17.02.2005 | 14 | 1 | 2 | Yes |
| Mrs. Ranjana Sen DIN: 01226337 | Chairperson & Executive Director | Mother of Mr. Suvankar Sen and Mother-in – law of Mrs. Joita Sen | 22.08.1994 | 14 | 2 | 0 | Yes |

| Name of Director and DIN | Position | Relationship with other Directors | Date of joining | Number of Board meetings attended | Number of directorships held in other Public Limited Companies as on 31-03-2024* | Number of committee positions held in public limited Companies (including Senco) as on 31-03-2024** | Attendance at the last AGM |
|--|----------------------|--|-----------------|-----------------------------------|--|---|----------------------------|
| Mrs. Joita Sen DIN: 08828875 | Executive Director | Wife of Mr. Suvankar Sen and Daughter – in – law of Mrs. Ranjana Sen | 12.08.2020 | 11 | 2 | 1 | Yes |
| Mr. Vivek Kumar Mathur DIN: 03581311 | Nominee Director | N.A. | 23.07.2018 | 11@ | - | - | No |
| Mr. Bhaskar Sen DIN: 03193003 | Independent Director | N.A. | 18.09.2021 | 13 | 1 | 3 | No |
| Mr. Kumar Shankar Datta DIN: 07248231 | Independent Director | N.A. | 23.07.2018 | 14 | 0 | 4 (Including two as chairperson) | Yes |
| Ms. Suman Varma DIN: 08127928 | Independent Director | N.A. | 22.05.2018 | 13 | 0 | 0 (0) | No |
| Mr. Shankar Prasad Halder DIN: 06521264 | Independent Director | N.A. | 03.02.2022 | 13 | 0 | 2 (0) | No |

* Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013

** Includes only Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI (LODR) Regulations, 2015. The Total number of Membership in committees include their position of chairmanship in the committees as well.

@ Mr. Vivek Kumar Mathur ceased to be a Nominee Director with effect from close of business hours of 29th February 2024.

In terms of the provisions of the Companies Act 2013, and The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/or the Committees of other companies with changes therein, if any, on a periodical basis. Based on such disclosures, it is confirmed that as on March 31, 2024, none of the Directors holds directorship in more than 20 Companies or more than 10 Public limited companies and as an independent director in more than 7 listed entities, and the Managing Director does not serve as an independent director on any listed company. Further, none of the Independent Directors serve as a non-independent director of any company in which any of the Company's Non-Independent Director is an independent director. During the Financial Year 2023-24, none of the Directors acted as a member in more than 10 committees or as a chairperson in more than 5 committees (committees being Audit Committee and Stakeholders Relationship Committee as per Regulation 26(1) of the SEBI LODR) across all listed entities where they serve as a director.

None of the Directors of the Company is holding position of Directorship in any other listed Company as on 31st March 2024.

e. Information placed before the Board of Directors

The Company has complied with Part A of Schedule II of SEBI (LODR) Regulations, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

The following items are generally tabled for information and review of the Board:

- ◆ Annual operating plans and budgets and any updates;
- ◆ Financial Results of the Company and its Subsidiary company; Company's annual financial results, financial statements, Auditors' Report.
- ◆ Formation/reconstitution, terms of references and minutes of Board Committees including Audit Committee

- ◆ Appointment or resignation of Chief Financial Officer and the Company Secretary;
- ◆ Show cause, demand, prosecution notices and penalty notices which are materially important;
- ◆ Fatal or serious accidents, dangerous occurrences and material effluent discharge or pollution related problems;
- ◆ Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- ◆ Any issue, which involves possible public, or product liability claims of substantial nature, including any judgment or order which may have been passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications for the Company;
- ◆ Details of any joint venture or collaboration agreement.
- ◆ Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- ◆ Significant labour problems and their proposed solutions. Any significant development on human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, among others;
- ◆ Sale of material nature of investment, subsidiaries and assets, which is not in the normal course of business;
- ◆ Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, among others;
- ◆ Financials and minutes of meetings of subsidiary company;
- ◆ Appointment, remuneration and resignation of Director(s) and key managerial personnel;
- ◆ General notices of interest to the Directors including declaration of Independent Directors at the time of appointment/annually;
- ◆ Appointment of internal auditors, statutory auditors and secretarial auditors;
- ◆ Secretarial audit report submitted by secretarial auditor;
- ◆ Certificate of statutory compliance certifying compliance with all laws as applicable to the Company;
- ◆ Dividend declaration;
- ◆ Grant of loans and making investments of surplus funds;
- ◆ Transactions /Agreements/Contracts with related parties;
- ◆ Review of the risk management policy;
- ◆ Any other important or critical matters.

The Board is presented with all the information under the above heads whenever applicable and materially significant. These are submitted either as a part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings or meetings of the relevant committees. Functional heads are also called upon to provide additional inputs to the items being discussed by the Board/Committee, as and when required.

f. Presentation by the management

Before putting on record the annual financial results of the Company, a presentation is made before the Board on operations of the Company including performance of brands, international business, performance of subsidiary companies, initiatives taken for sales promotion and all other matters having impact on the business of the Company.

g. Succession plan

The Board of Directors has satisfied itself that plans are in place for orderly succession for outgoing members of the Board of Directors and Senior Management Personnel.

h. Training of Board members and Familiarization Programme for Independent Directors

At Senco Gold Limited, all the members of the Board of Directors are experienced professionals who are well-acquainted with the nature of industry, the prevailing business model and other aspects of the Company and keep themselves updated about the changes in laws relating to Company's business and their roles and responsibilities as Directors of the Company.

At each of the Board Meeting, Board members are provided with presentations containing details about the Company's operations, the Jewellery Business as a whole, the business model and new launches & initiatives, among others.

In each of the Audit Committee Meetings, the committee members are updated about changes in laws relating to reporting and disclosures and in other committees, members were also updated for relevant changes of laws / statutes applicable to them.

The Company arranges discussions/meetings on the risks associated with the Company's business wherein experts are invited, and mitigation plans are discussed with the Executive Directors. Such discussions in the form of training exercises enable them to take better decisions when it comes to discharging their responsibilities.

The relevant statutory changes/updates are explained / informed to the Directors from time to time so that they can take better and informed decisions.

The Independent Directors were given a formal update on the operations of the Company and their role and responsibilities.

Independent Directors are regularly informed and updated on the business activities of the Company by providing them

with the details of businesses of the Company as well as details of competitors, changes in relevant laws, their duties/responsibilities and liabilities as a director.

Such information enables the Independent Directors to familiarise themselves with the Company's operations and the industry at large.

The Company initiated a Familiarisation Programme for the Independent Directors as required under Regulation 25(7) of the SEBI Listing Regulations, 2015.

The details of the Familiarization Programme can be accessed at: [Policy for Familiarization programme for Independent Directors](#)

i. Criteria for the selection of the Directors

The selection process of Board members is dependent on several parameters and the policies framed by the Board of Directors of the Company. The Board has identified skill, expertise and competency required in context to its business for it to function effectively and these are Leadership, governance & regulatory laws, finance & risk management, entrepreneurship, marketing and consumer insights which are available with the Board.

The Company recognises and embraces the benefits of having a diverse Board and believes that it will enhance the quality of the decisions of the Board by utilising their varied skills, qualifications, professional experience, gender and knowledge, among others, of the members of the Board, which is necessary for achieving sustainable and balanced growth of the Company.

The Nomination Remuneration and Compensation Committee recommends appointment of suitable professionals who may be inducted into the Board. Upon fulfilment of the parameters, the Directors are appointed.

j. Terms and conditions for appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013, SEBI Listing Regulations, 2015 along with the Articles of Association of the Company. Each Independent Director is issued a letter specifying the details of appointment at the time of joining. Every Independent Director signs a declaration to confirm that he/she fulfils all the conditions for being an Independent Director as laid down under the law. Terms and conditions for appointment of Independent Directors can be accessed at Company's website at the weblink : [Terms & Conditions for appointment of Independent Directors](#)

During the Financial Year 2023-24, none of the Independent Directors have resigned before the expiry of his/her tenure.

k. Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board of Directors. The Company believes

that increasing diversity at the Board level is essential for maintaining a competitive advantage in the complex business segment that it operates in. It recognises that a Board comprising of appropriately qualified people, with a broad range of experience is relevant to the business of the Company and is imperative to achieve effective corporate governance and sustained commercial success.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors, and Women Directors. The composition of the Board is in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, SEBI Listing Regulations, 2015 and all other statutory, regulatory and contractual obligations of the Company. Policy can be accessed at Company's website at the weblink : [Policy on diversity of Board of Directors](#)

l. Board evaluation policy

The primary objective of the policy is to provide a framework and set standards for the evaluation of the Board as a whole and each Director individually. The Company aims to achieve a balance of merit, experience and skills on the Board. The policy is to assess and enhance the effectiveness of the Board as a whole. Individual members are assessed on their effective contribution and commitment to their roles and responsibilities as Directors. The Board evaluation process is carried out by the Nomination, Remuneration and Compensation Committee and can be accessed at [Policy for performance evaluation of Board of Directors](#)

m. Post-meeting follow-up mechanism

The important decisions taken at the Board/Board-level Committee meetings are promptly communicated to the concerned departments/divisions. A report on the action taken on the decisions/suggestions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/committee for noting the same.

n. Code of conduct

The Company has established a Code of Conduct for all the members of the Board including Independent Directors, Committees and Heads of Departments. In compliance with SEBI Listing Regulations, 2015 and The Companies Act, 2013, the Code of Conduct suitably lays down the duties of the Independent Directors. Pursuant to the Provisions of the Code of the Conduct the Board has designated the Managing Director of the Company as Chief Executive Officer (CEO).

The said code is displayed on the Company's website: [Code of Conduct for Board Members & Senior Management Personnel](#)

The CEO affirmed to the Board that the members of the Board and Committees and Heads of Departments have complied with the provisions of this code. A declaration signed by the CEO in this regard is annexed at the end of this Report.

o. Skill/Expertise/Competence of the Board of Directors

The Board has adequate mix of skills, expertise and competencies for running the business of the Company as detailed below:

| Sl. No. | Skills and its Descriptions | Mr. Bhaskar Sen | Mrs. Joita Sen | Mr. Kumar Shankar Datta | Mrs. Ranjana Sen | Mr. Suvankar Sen | Mr. Shankar Prasad Halder | Ms. Suman Varma |
|---------|--|-----------------|----------------|-------------------------|------------------|------------------|---------------------------|-----------------|
| 1 | Leadership of Large Organizations | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Visioning, Strategic Planning | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Financial & Risk Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Governance and Regulatory Requirements Oversight | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5 | Consumer Insights & Marketing exposure | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6 | Information Technology & Innovation | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

COMMITTEES OF THE BOARD

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted the committees, which comply with the requirements of the Companies Act, 2013 as well as SEBI Listing Regulations, 2015, these comprise:

1. Audit Committee
2. Nomination, Remuneration & Compensation Committee (NRC)
3. Stakeholders Relationship Committee (SRC)
4. Corporate Social Responsibility Committee (CSR)
5. Environment, Social and Governance Committee (ESG)
6. Risk Management Committee (RMC)
7. Management Committee
8. IPO Committee
9. Committee of Independent Directors

Each of these committees has been mandated to operate within a given framework. The details of composition of the above-mentioned committees are available on the Company's website:

1. Audit Committee

The Audit Committee acts as the link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company.

The terms of reference of the Audit Committee are in line with the requirements as specified in Schedule II Part C of SEBI Listing Regulations, 2015 which inter-alia includes, oversight of the Company's financial reporting process; reviewing, with the management the quarterly, half-yearly and annual financial statements and auditor's report thereon before submission to the Board for approval; approval or any subsequent modification of transactions of the Company with related parties; scrutiny of inter-corporate loans and investments; evaluation of internal financial controls and risk management systems; discussion with internal auditors of any significant findings

and follow up thereon; reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; reviewing the functioning of the whistle blower mechanism; reviewing the utilization of loans and / or advances from/investment by the holding company in the subsidiary, recommendation for appointment, remuneration and terms of appointment of auditors of the Company and provide approval of payment to statutory auditors for any other services rendered by the statutory auditors etc.

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company.

The Internal Audit Department governs its audit through modules/checklists to carry out process-wise audits and ensure effective discharging of their duties and compliance with SEBI Listing Regulations, 2015. The audit process being used by internal audit department is also reviewed from time to time with a view to bring it in line with the regulatory framework.

As on March 31, 2024, the Audit Committee comprised four Directors, out of whom, (3) three were Independent Directors and (1) one Managing Director. All the members of the Audit Committee have adequate knowledge in the areas of finance and accounting. The Company Secretary acts as the Secretary of the Committee.

Representatives of the Statutory Auditors & Internal Auditors were also invited to the meetings of the Audit Committee, wherever necessary.

Mr. Kumar Shankar Datta, Chairman of the Committee, was duly present at the Annual General Meeting held on June 27, 2023.

During the Financial Year 2023-24, the Audit Committee held seven (7) meetings on May 16, 2023; June 03, 2023; August 12, 2023 and adjourned meeting on August 14, 2023; November 08, 2023 and adjourned meeting on November 09, 2023; December 13, 2023; February 12, 2024 and February 13, 2024.

The gap between any two meetings did not exceed 120 days complying with the Companies Act, 2013 and provisions of SEBI Listing Regulations, 2015.

Composition of the Committee and attendance of the members at the meetings held during the year:

| Name of the member of the Committee | Category of Director | Number of meetings attended |
|--|----------------------|-----------------------------|
| Mr. Kumar Shankar Datta – Independent Director | Chairman | 7 |
| Mr. Suvankar Sen - Managing Director & CEO, Promoter | Member | 7 |
| Mr. Bhaskar Sen – Independent Director | Member | 7 |
| Mr. Shankar Prasad Halder – Independent Director | Member | 7 |

2. Nomination Remuneration and Compensation Committee

The constitution of the Nomination, Remuneration & Compensation Committee is in conformity with the requirements of Section 178 of the Companies Act, 2013 and as per the requirements of Regulation 19 of the SEBI Listing Regulations, 2015. The Company complies with the Regulation 19 of SEBI Listing Regulations, 2015 with respect to composition, role and responsibilities etc.

The Committee comprises four (4) Independent Directors. The Company Secretary acts as the Secretary of the Committee.

Mr. Kumar Shankar Datta, Chairman of the Committee was duly present at the Annual General Meeting held on June 27, 2023.

During the Financial Year 2023-24, the Committee held six (6) meetings on May 15, 2023; June 16, 2023; August 12, 2023; November 08, 2023; December 18, 2023 and March 09, 2024.

The terms of reference of the NRC Committee are in line with the requirements as specified in Schedule II Part D of SEBI Listing Regulations, 2015 which inter-alia includes; formulation of criteria for determining qualifications, positive attributes and independence of director and recommending to the Board a policy relating to remuneration of directors, key managerial personnel and other employees; evaluation of the skills, knowledge and experience of Independent Director prior to appointment and prepare a description of the role and capabilities required of an Independent Director; formulation of criteria for evaluation of directors performance; devising a policy on Board diversity, identifying persons who are qualified to become directors and who may be appointed in Senior Management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal and also recommend to the Board remuneration payable to Senior Management; administering the Senco Gold Limited Employee Stock Option Scheme, 2018 etc.

Composition of the Committee and attendance of the Members at the meeting held during the year:

| Name of the member of the Committee | Category of Director | Number of meetings attended |
|--|----------------------|-----------------------------|
| Mr. Kumar Shankar Datta – Independent Director | Chairman | 6 |
| Mr. Bhaskar Sen – Independent Director | Member | 6 |
| Ms. Suman Varma - Independent Director | Member | 5 |
| Mr. Vivek Kumar Mathur* - Nominee Director | Member | 2 |
| Mr. Shankar Prasad Halder** - Independent Director | Member | 0 |

* Mr. Vivek Kumar Mathur ceased to be a Nominee Director with effect from close of business hours of 29.02.2024.

** Mr. Shankar Prasad Halder was inducted as the member of the Committee with effect from 09.03.2024.

REMUNERATION POLICY

Executive Directors

The Nomination Remuneration and Compensation Committee takes into account experience, qualification, contributions and prevailing industry practices before giving its recommendations to the Board. The Board, based on the recommendations, decides the quantum of remuneration to be paid to Executive Directors, subject to approval by the shareholders in terms of the provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims to reward stellar performances on a periodic basis.

The Company has entered into agreement with each of the Executive Directors which may be terminated by either party by giving three/six months' notice to the other party. The period of three/six months shall depend on the cause of such termination as stipulated in the agreement.

Service contracts, notice period, severance fees:

Appointment of Whole-time Directors is on contractual basis for a period of five years with the notice period of three / six months from either side, and there is no provision of payment of severance fees.

Non-Executive Directors / Criteria for payment to Non-Executive Directors

The Non-Executive Directors bring with them significant professional expertise and substantial benefits through their rich experience in finance, banking, legal, marketing, consumer behaviours and corporate strategy.

Using their experience and knowledge, they safeguard the interest of investors by exercising appropriate control at various levels. The Company has also inducted them in the various committees

of the Board – Audit Committee, Nomination, Remuneration and Compensation Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Management Committee and IPO Committee.

Non-Executive Directors are paid sitting fees for attending the meetings of the Board/Committee(s) within the prescribed limits.

The sitting fees payable to Non-Executive Directors were revised on 09-11-2023 as approved by the NRC Committee & Board.

The Non-Executive Directors were paid sitting fees of Rs. 50,000 (Rupees fifty thousand only) for attending Board meeting and Independent Director Meeting, Rs. 40,000 (Rupees forty thousand only) for attending Audit Committee Meeting and Risk Management Committee Meeting and Meeting of Committee of Independent Directors, Rs. 30,000 (Rupees thirty thousand only) for attending SRC Meeting, NRC Committee Meeting, CSR Meeting & ESG Meeting, Rs 15,000 (Rupees fifteen thousand only) for attending Management Committee Meeting, Rs 20,000 (Rupees Twenty thousand only) for attending IPO Committee Meeting.

The Nomination Remuneration and Compensation Committee has laid down the criteria for performance evaluation of Independent Directors, Executive & Non-Executive Directors, the Board and the Board level committees. The Committee formulates evaluation criteria for the Independent Directors, which are broadly based on:

- ◆ Knowledge to perform the role;
- ◆ Time and level of participation;
- ◆ Level of oversight; and
- ◆ Professional conduct and independence.

In terms of Section 134 of the Companies Act 2013, the Directors' Report also includes a statement indicating the process that the Board has used for a formal annual evaluation of its own performance, performance of the Committees and the individual Directors of the Company.

Details of remuneration during the financial year 2023-24

| Sl. No | Name of Director | Sitting fees | Earned Basic | Allowance | Incentives | Total |
|--------|--|--------------|--------------|-------------|------------|-------------|
| 1 | Mr. Suvankar Sen –Managing Director & CEO, Promoter | - | 42,90,000 | 1,76,08,800 | 91,71,360 | 3,10,70,160 |
| 2 | Mrs. Ranjana Sen- Chairperson & Executive Director | - | 14,52,000 | 66,13,200 | 33,65,472 | 1,14,30,672 |
| 3 | Mrs. Joita Sen –Executive Director | - | 17,16,000 | 52,66,800 | 29,57,856 | 99,40,656 |
| 4 | Mr. Bhaskar Sen- Non-Executive Independent Director | 12,60,000 | - | - | - | 12,60,000 |
| 5 | Mr. Kumar Shankar Datta- Non-Executive Independent Director | 14,70,000 | - | - | - | 14,70,000 |
| 6 | Ms. Suman Varma- Non-Executive Independent Director | 8,00,000 | - | - | - | 8,00,000 |
| 7 | Mr. Shankar Prasad Halder - Non-Executive Independent Director | 10,70,000 | - | - | - | 10,70,000 |

No Stock options were issued to any Directors during the Financial Year 2023-24.

The total remuneration paid to the Executive Directors, who are promoters or members of the promoter group, during the period is in accordance with the criteria as prescribed under Regulation 17 of the SEBI (LODR) Regulations, 2015, as amended.

No Non-Executive Director has been paid in excess of fifty percent of the total amount paid to all the Non-Executive Directors of the Company.

Shares held by the Non-Executive Directors as on 31st March 2024

| Sl. No. | Name of the Director | Category of Director | Number of shares |
|---------|---------------------------|----------------------|------------------|
| 1 | Mr. Bhaskar Sen | Independent Director | Nil |
| 2 | Mr. Kumar Shankar Datta | Independent Director | Nil |
| 3 | Ms. Suman Varma | Independent Director | Nil |
| 4 | Mr. Shankar Prasad Halder | Independent Director | Nil |

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the entity other than receipt of sitting fees for the meetings of Board and Committees.

3. Stakeholders Relationship Committee

Pursuant to Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, 2015, the Company has constituted Stakeholders Relationship Committee (Committee or SRC) comprising of three (3) Independent Directors, one (1) Managing Director and one (1) Executive Director.

As on 31st March, 2024, Mr Surendra Gupta, the Company Secretary was the Compliance Officer under SEBI Listing Regulations, 2015. Mr Surendra Gupta tendered his resignation from the post of Company Secretary & Compliance Officer with effect from the close of business hours of 24th June, 2024.

The terms of reference of the SRC are in line with the requirements as specified in Schedule II Part D of SEBI Listing Regulations, 2015, which inter-alia includes: resolving the grievance of the security holders including complaints related to non-receipt of annual report, non-receipt of declared dividends; reviewing of measures taken for effective exercise of voting rights by shareholders, reviewing & adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders etc.

The Committee held two (2) meetings during the year on August 12, 2023 and November 08, 2023.

Composition and attendance of the Members at the meeting:

| Members | Category of Director | Number of meetings attended |
|--|----------------------|-----------------------------|
| Mr. Kumar Shankar Datta – Non- Executive Independent Director | Chairman | 2 |
| *Mr. Vivek Kumar Mathur - Nominee Director | Member | 2 |
| Mr. Suvankar Sen- Managing Director & CEO, Promoter | Member | 2 |
| Mr. Bhaskar Sen- Non- Executive Independent Director | Member | 2 |
| Mr. Shankar Prasad Halder- Non- Executive Independent Director | Member | 2 |
| **Mrs. Joita Sen – Executive Director | Member | 0 |

* Mr Vivek Kumar Mathur ceased to be Nominee Director with effect from the close of business hours of 29th February, 2024.

**Mrs. Joita Sen was inducted as a member w.e.f. 09.03.2024

Number of Investor Complaints received from 1st April 2023 to 31st March 2024 are as follows:

| Complaints as on 1 st April 2023 | 0 |
|---|----|
| Complaints received during the year ended 31 st March 2024 | 17 |
| Complaints resolved during the year ended 31 st March 2024 | 17 |
| Complaints not solved to the satisfaction of shareholders during the year ended 31 st March 2024 | 0 |
| Complaints pending as on 31 st March 2024 | 0 |

4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of one (1) Managing Director, Two (2) Executive Directors and Three (3) Independent Directors. The Company Secretary is the Secretary of the Committee.

The role of the Committee shall inter- alia include formulation and recommendation to the Board the Corporate Social Responsibility Policy; identifying CSR policy partners and CSR Programmes, reviewing and recommending the amount of expenditure to be incurred on the CSR activities, delegating the responsibilities to the CSR Team and supervision of proper execution; monitor the CSR policy of the Company and its implementation from time to time etc.

The Committee held two (2) meetings during the year on May 15, 2023, and November 08, 2023.

Composition, category of Directors and number of meetings attended:

| Members | Category of Director | Number of meetings attended |
|---|----------------------|-----------------------------|
| Mr. Suvankar Sen – Managing Director & CEO, Promoter | Chairman | 2 |
| * Mr. Vivek Kumar Mathur – Nominee Director | Member | 1 |
| Mr. Kumar Shankar Datta – Independent Director | Member | 2 |
| Mrs. Joita Sen –Executive Director | Member | 2 |
| Ms. Suman Varma -Independent Director | Member | 1 |
| **Mr. Bhaskar Sen –Independent Director | Member | 0 |
| **Mrs. Ranjana Sen – Chairperson & Executive Director | Member | 0 |

*Mr. Vivek Kumar Mathur ceased to be a Nominee Director with effect from the close of business hours of 29th February 2024.

**Mr. Bhaskar Sen and Mrs Ranjana Sen were inducted as the member of the CSR Committee with effect from 09.03.2024

5. Environment, Social and Governance Committee

The ESG Committee was formed on 9th March 2024 and comprises of one (1) Managing Director, Two (2) Executive Directors and Three (3) Independent Directors.

The role of the Committee shall inter- alia include –
 Overviewing the Company’s policies, Standards, Guidelines, and action plans regarding the sustainable development of the company’s projects and operations, comprising social, economic, and environmental responsibility in the regions where the Company operates; seeking updates on the management of material ESG issues from the ESG Steering Group; Overviewing and reporting to the Board the performance of the Company with respect to the implementation of ESG Management Systems designed to ensure that the commitments made in the policy are being met and that sustainability and reputation related risks are being assessed, controlled and managed effectively; Recommending when appropriate, amendments to the Sustainability & ESG policies or management systems; Overviewing the methods of communicating Company’s sustainability performance, including approving the BRSR sections published in the Annual Report prior to publication, advising the ESG Steering Group to enable it to discharge its responsibilities, having regard to the law and the expected international standards of sustainability & governance etc.

Composition of the Committee is detailed below:

| Members | Category |
|--|-------------|
| Ms. Suman Varma – Non-Executive Independent Director | Chairperson |
| Mr. Suvankar Sen- Managing Director & CEO, Promoter | Member |
| Mr. Kumar Shankar Datta - Non-Executive Independent Director | Member |
| Mr. Bhaskar Sen - Non-Executive Independent Director | Member |
| Mrs. Ranjana Sen- Chairperson & Executive Director | Member |
| Mrs. Joita Sen - Executive Director | Member |

6. Risk Management Committee

In terms of Regulation 21 of the SEBI Listing Regulations, 2015, the Board has constituted a Risk Management Committee. The Risk Management Committee of the Board comprises six (6) Directors out of which one (1) is Managing Director, one (1) Executive Director and four (4) Independent Directors. The Company Secretary is the Secretary of the Committee.

The terms of reference of the Risk Management Committee are in line with the requirements as specified in Schedule II Part D of SEBI (LODR) Regulations, 2015, which inter-alia includes: formulation of detailed risk management policy, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems, periodically reviewing the risk management policy, at least once in two years, including by

considering the changing industry dynamics and evolving complexity recommendations and actions to be taken etc.

The Committee held four (4) meetings during the year on May 16, 2023; August 26, 2023; October 31, 2023 and March 08, 2024.

The functions of the Committee include:

1. Composition, category of Directors and number of meetings attended:

| Name of the Members | Category of Director | Number of meetings attended |
|--|----------------------|-----------------------------|
| Mr. Bhaskar Sen – Non-Executive Independent Director | Chairman | 4 |
| Mr. Suvankar Sen – Managing Director & CEO, Promoter | Member | 4 |
| *Mr. Vivek Kumar Mathur – Nominee Director | Member | 1 |
| Mrs. Joita Sen –Executive Director | Member | 3 |
| Mr. Shankar Prasad Halder - Non-Executive Independent Director | Member | 4 |
| Mr. Kumar Shankar Datta- Non-Executive Independent Director | Member | 4 |
| **Ms. Suman Varma- Non-Executive Independent Director | Member | 0 |

*Mr. Vivek Kumar Mathur ceased to be the Nominee Director with effect from the close of business hours of 29th February 2024.

**Ms. Suman Varma was inducted as a member of the RMC with effect from 09.03.2024.

7. Management Committee

The Management Committee comprises of (1) one Managing Director, (2) two Executive Directors and (1) one Independent Director. The Company Secretary is the secretary of the committee.

The Role of Management Committee includes: providing approval for opening & operating bank accounts; authorising any person/s to appear and to represent Company before the statutory and legal authorities; authorising any person/s to sign, certify and/or authenticate any document/s to be submitted to any legal and statutory authorities, banks and other entities in the normal course of business; to deal in day-to-day affairs of the business of the company; to approve borrowing secured, unsecured funds for the business of the Company provided the borrowing does not exceed the limits as approved by the Board & Shareholders.

The committee held ten (10) meetings during the year on April 27, 2023; May 28, 2023; July 20, 2023; August 31, 2023;

September 29, 2023; October 10, 2023; November 20, 2023; February 21, 2024; March 7, 2024 and March 22, 2024.

Composition of the Committee and attendance of the Members at the meeting held during the year:

| Members | Category of Director | Number of meetings attended |
|--|----------------------|-----------------------------|
| Mr. Suvankar Sen – Managing Director & CEO, Promoter | Chairman | 10 |
| Mr. Kumar Shankar Datta - Independent Director | Member | 10 |
| Mrs. Ranjana Sen – Chairperson & Executive Director | Member | 10 |
| Mrs. Joita Sen –Executive Director | Member | 10 |

8. IPO Committee

The purpose of the IPO Committee was to assist the Board of Directors (“Board”) in carrying out various activities related to the proposed IPO of the Company which, inter-alia, include deciding in consultation with the selling shareholders and merchant bankers to the IPO, the size, timing, pricing and all other terms and conditions of the IPO, including the number of equity shares to be offered pursuant to the IPO; finalizing and amending the terms of participation by the selling shareholders in the offer for sale; to determine and finalise the IPO opening and IPO closing dates (including IPO opening and closing dates for anchor investors), floor price/price band for the IPO, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the merchant bankers to the IPO etc.

The committee comprised of (1) one Managing Director, (2) two Independent Directors and (1) one Nominee Director. The company secretary was the secretary of the committee.

The committee held two (2) meetings during the year on July 3, 2023, and July 11, 2023.

Composition of the Committee and attendance of the Members at the meeting held during the year:

| Members | Category of Director | Number of meetings attended |
|---|----------------------|-----------------------------|
| Mr. Suvankar Sen –Managing Director & CEO, Promoter | Chairman | 2 |
| Mr. Kumar Shankar Datta- Independent Director | Member | 2 |
| Mr. Bhaskar Sen - Independent Director | Member | 2 |
| Mr. Vivek Kumar Mathur - Nominee Director | Member | 1 |

Pursuant to completion of the object of the Committee, the Board of Directors at their meeting held on 13th February 2024 dissolved the Committee with immediate effect.

9. Committee of Independent Directors

The Committee of Independent Directors was formed in accordance with the fourth amendment to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended for the purpose of providing their recommendation on the price band for IPO.

The Committee consisted of the (4) four Independent directors:

The Committee held (1) one Meeting in the year on 28th June, 2023.

Composition of the Committee and attendance of the Members at the meeting held during the year:

| Members | Category of Director | Number of meetings attended |
|--|----------------------|-----------------------------|
| Mr. Kumar Shankar Datta- Independent Director | Chairman | 1 |
| Mr. Bhaskar Sen - Independent Director | Member | 1 |
| Mr. Shankar Prasad Halder - Independent Director | Member | 1 |
| Ms. Suman Varma - Independent Director | Member | 1 |

Pursuant to completion of the object of the Committee, the Board of Directors at their meeting held on 13th February 2024 dissolved the Committee with immediate effect.

Separate meeting of the Independent Directors:

A separate meeting of the Independent Directors was held on 30th October 2023 without the presence of Non-Independent Directors in accordance with Schedule IV of the Companies Act, 2013. The following matters were inter alia reviewed and discussed in the meeting:

- ◆ Performance of Non-Independent Directors and the Board as a whole.
- ◆ Performance of the Chairman/Chairperson of the Company taking into consideration the views of Executive and Non-Executive Directors.

The quality, quantity and timelines of flow of information between the management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

Particulars of Senior Management Personnel

The particulars of Senior Management as per Regulation 16(1) (d) of the SEBI Listing Regulations, 2015 during the Financial Year 2023-24 are as follows:

| | |
|---------------------------|--|
| Mr. Suvankar Sen | Managing Director & CEO |
| Mr. Sanjay Banka | Chief Financial Officer |
| @Mr. Surendra Gupta | Company Secretary & Compliance Officer |
| Mr. Sanjay Banerjee | Chief Operating Officer |
| Ms. Subhasri Sengupta | Chief Human Resource Officer |
| #Mr. Mukund Chandak | Chief General Manager- Legal & Joint Company Secretary |
| Mr. Debjit Mallick | General Manager- Gold (Merchandising) |
| Mr. Dhaval Jeetendra Raja | Chief General Manager- Sales |
| Mr. Puranjit Seal | Chief General Manager- Finance & Control |
| Mr. Rajib De | General Manager- IT & Innovation |

@ Mr. Surendra Gupta tendered his resignation from the post of Company Secretary & Compliance Officer with effect from the close of business hours of 24th June, 2024.

#Mr. Mukund Chandak has been appointed as the Company Secretary & Compliance Officer with effect from 27th June, 2024.

During the Financial Year 2023-24, there were no changes in the Senior Management Personnel.

GENERAL BODY MEETINGS

AGMs over the preceding three years were held as follows:

| AGMs | Date of AGM | Location | Time |
|----------------------|----------------------------------|---|------------|
| 29 th AGM | 27 th June, 2023 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 11.30 A.M. |
| 28 th AGM | 27 th September, 2022 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 11.30 A.M. |
| 27 th AGM | 30 th September, 2021 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 11.30 A.M. |

EGMs over the preceding three years were held as follows:

| EGMs | Location | Time |
|--------------------------------|---|------------|
| 11 th April, 2022 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 11.30 A.M. |
| 7 th April, 2022 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 11.30 A.M. |
| 2 nd April, 2022 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 12.30 P.M. |
| 25 th October, 2021 | Registered & Corporate Office- Diamond Prestige, 41A, A.J.C Bose Road, 10 th Floor, Kolkata-700017 | 11.30 A.M. |

Special Resolutions passed in the previous three AGM/EGM:

| Date of AGM/EGM | Particulars |
|----------------------|--|
| 29 th AGM | <ul style="list-style-type: none"> i) Re-appointment of Ms. Suman Varma (DIN: 08127928) as a Women Independent Director of the Company. ii) Re-appointment of Mr. Kumar Shankar Datta (DIN: 07248231) as an Independent Director of the Company iii) To borrow in excess of the limits provided under section 180 (1)(c) of the Companies Act, 2013 iv) To approve the power to create charge on the assets of the company to secure borrowings up to Rs. 3000 Crores pursuant to section 180(1)(a) of the Companies Act, 2013 |

| Date of AGM/EGM | Particulars |
|--|---|
| 28 th AGM | <ul style="list-style-type: none"> i) To approve the power to borrow funds pursuant to provisions of section 180 (1)(c) of the Companies Act, 2013 not exceeding 2000 Crores ii) To approve the power to create charge on the assets of the company to secure borrowings up to Rs. 2000 Crores pursuant to section 180(1)(a) of the Companies Act, 2013 |
| 27 th AGM | <ul style="list-style-type: none"> i) To appoint Mr. Bhaskar Sen (DIN: 03193003) as an Independent Director on the Board of the Company. |
| EGM dated 11 th April, 2022 | <ul style="list-style-type: none"> i) To raise Capital through an Initial Public Offering ii) To adopt revised Articles of Association |
| EGM dated 7 th April, 2022 | <ul style="list-style-type: none"> i) To issue Equity Shares in Private Placement basis by way of Preferential Allotment |
| EGM dated 2 nd April, 2022 | <ul style="list-style-type: none"> i) To appoint Mr. Shankar Prasad Halder (DIN: 06521264) as an Independent Director on the Board of the Company. ii) To increase NRI & OCI Limit iii) To appoint Mr. Suvankar Sen (DIN: 01178803) as Managing Director & CEO iv) To adopt altered Memorandum of Association v) To adopt altered Articles of Association vi) To consider and approve amendment in Senco Gold Employees Stock Option Scheme- 2018 |
| EGM dated 25 th October, 2021 | <ul style="list-style-type: none"> i) To approve revised Employees Stock Option Plan- 2018 ii) To approve the power to borrow funds pursuant to provisions of section 180 (1)(c) of the Companies Act, 2013 not exceeding Rs. 1000 Crores iii) To approve the power to create a charge on the assets of the company to secure borrowings up to Rs. 1000 Crores pursuant to section 180(1)(a) of the Companies Act, 2013 |

Whether any special resolution passed through postal ballot in the previous year / Details of resolutions passed through e-voting through Postal Ballot: - No

Whether any special resolution is proposed to be conducted through postal ballot: The Board of Directors & the Nomination Remuneration & Compensation Committee at their meeting held on 9th March 2024 recommended the following resolutions to be passed through postal ballot:

1. Ratification of Senco Gold Limited Employees Stock Option Scheme 2018 as per SEBI (Share Based employee benefits and Sweat Equity) Regulations, 2021.
2. Extension of the benefits of Senco Gold Limited Employees Stock Option Scheme 2018 to the employees of the subsidiary company(ies) of the Company.

The e-voting period commenced on 9th May 2024 & ended on 7th June, 2024 and the said resolutions were passed by the shareholders through postal ballot by requisite majority on 7th June 2024.

Person who conducted the Postal Ballot Exercise

The Board of Directors of the Company had appointed Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. 4848, CP No.3238) of M/s A K Labh & Co, Company Secretaries as the Scrutinizer for conducting the Postal Ballot process through e-voting, fairly and transparently.

Details of voting pattern

The summary of the voting results is given below:

| Resolutions passed through postal ballot | Votes in favour of the resolution (% of total number of valid votes) | Votes against the resolution (% of total number of valid votes) | Result |
|--|--|---|--|
| 1. Ratification of Senco Gold Limited Employees Stock Option Scheme 2018 as per SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. | 95.0314% | 4.9686% | Passed With Requite Majority on 7 th June 2024. |

| Resolutions passed through postal ballot | Votes in favour of the resolution (% of total number of valid votes) | Votes against the resolution (% of total number of valid votes) | Result |
|--|--|---|---|
| 2. Extension of the Benefits of Senco Gold Limited Employees Stock Option Scheme 2018 to the Employees of the Subsidiary Company (ies) of the Company. | 95.0301% | 4.9699% | Passed With Requisite Majority on 7 th June, 2024. |

There is no immediate resolution to be passed by the way of postal ballot.

Means of communication

i. Quarterly / Annual results

Financial results of the Company are displayed on the Company's website at: [Investor Relations \(sencogoldanddiamonds.com\)](http://Investor_Relations.sencogoldanddiamonds.com). The quarterly & annual financial results of the Company were normally published in Business Standard, Financial Express (English daily) Dainik Statesman (Bengali Daily) & Jansatta (Hindi Daily).

ii. Presentations/News releases

Presentations and official press release made to the media, analysts, and institutional investors, among others are displayed on the Company's website at: <https://sencogoldanddiamonds.com/investor-relations>

iii. Website

The Company's corporate website contains comprehensive information. An exclusive section is for investors at <https://sencogoldanddiamonds.com/investor-relations> wherein annual reports, yearly financial results, notices, shareholding patterns and policies, among others, are available for reference or download.

iv. Annual report

The Annual Report for the Financial Year 2023-24 including the Audited Financial Statements for the year ended 31st March 2024, is being sent by e-mail to those Members whose e-mail addresses are registered with the Company/Depository Participant(s). The Annual Report and the Notice of the AGM is also available on the Company's website at www.sencogoldanddiamonds.com

v. Designated exclusive e-mail ID

The Company has designated E-mail ID exclusive for investor services: corporate@sencogold.co.in which has been displayed on the Company's website at: <https://sencogoldanddiamonds.com/investor-relations>

vi. Investor relations

The Company's executives participate in investor meetings including conferences in India and abroad from time to time organized by financial institutions, analyst and broking houses. A conference call is done every quarter after declaration of financial results to address the queries of analysts.

GENERAL SHAREHOLDERS' INFORMATION

| | |
|--|---|
| a) Date, time and venue of the annual general meeting | The 30 th Annual General Meeting of the Company for the financial year 2023-24 will be held on Friday, 13 th September, 2024 at "Kala-Kunj" (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700 017 at 11.30 A.M. |
| b) Financial Year | The Financial Year of the Company is from April 1, 2023 to March 31, 2024. |
| c) Book Closure Date | 7 th September, 2024 to 13 th September 2024 (both days inclusive) |
| d) Dividend Payment Date- | Will be paid within 30 days from the date of approval at the 30 th AGM. |
| e) Listing of Equity Shares on Stock Exchanges | <p>a) BSE Limited - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001</p> <p>b) National Stock exchange of India Limited - Exchange Plaza, 5th Floor, Plot No. C/1 G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051</p> <p>Listing fees as prescribed have been paid to the above stock exchanges.</p> |
| f) Details of Stock code | <p>BSE: 543936</p> <p>NSE: SENCO</p> <p>ISIN: INE602W01019</p> <p>There was no suspension from trading in equity shares of the Company from 14th July 2023 to 31st March 2024.</p> |

| | |
|---|--|
| g) Registrar and Share Transfer Agents | KFin Technologies Limited Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032 Telangana Phone: (40) 6716 2222 E- mail : cinward.ris@kfintech.com Website: www.kfintech.com |
| h) Address for Correspondence | Registered & Corporate Office – Diamond Prestige, 41A A.J.C Bose Road, 10 th Floor, Kolkata-700017 |
| i) Plant Locations | The Company has plants in 2 places the location of which are: i) Gems & Jewellery Park, SDF Building, Module No GJA-4A4, 4 th Floor, Ankurhati, Domjur, Howrah-711409. ii) Module G-SE, SDF Building, Manikanchan SEZ, Plot 1, Block CN, Sector V, Saltlake, Kolkata - 700091 |

The tentative dates of the board meetings for consideration of quarterly and annual financial results for the financial year 2024-25 are as follows:

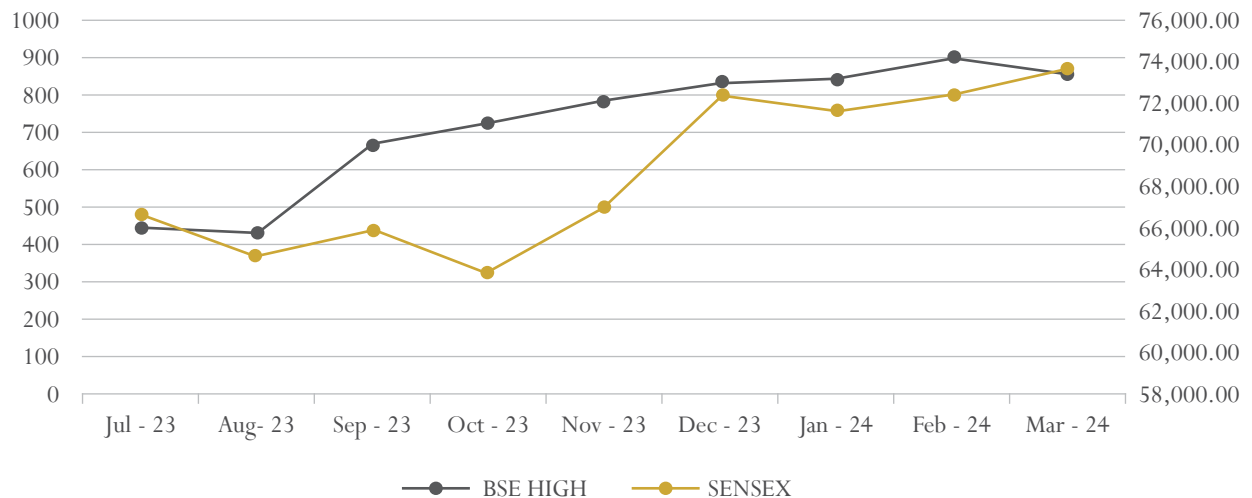
| Period | First quarter | Second quarter | Third quarter | Fourth quarter and annual results |
|--------|----------------------------------|-------------------------------|-------------------------------|-----------------------------------|
| Date | By 14 th August, 2024 | By 14 th Nov, 2024 | By 14 th Feb, 2025 | By 30 th May, 2025 |

j) Stock Market Price Data

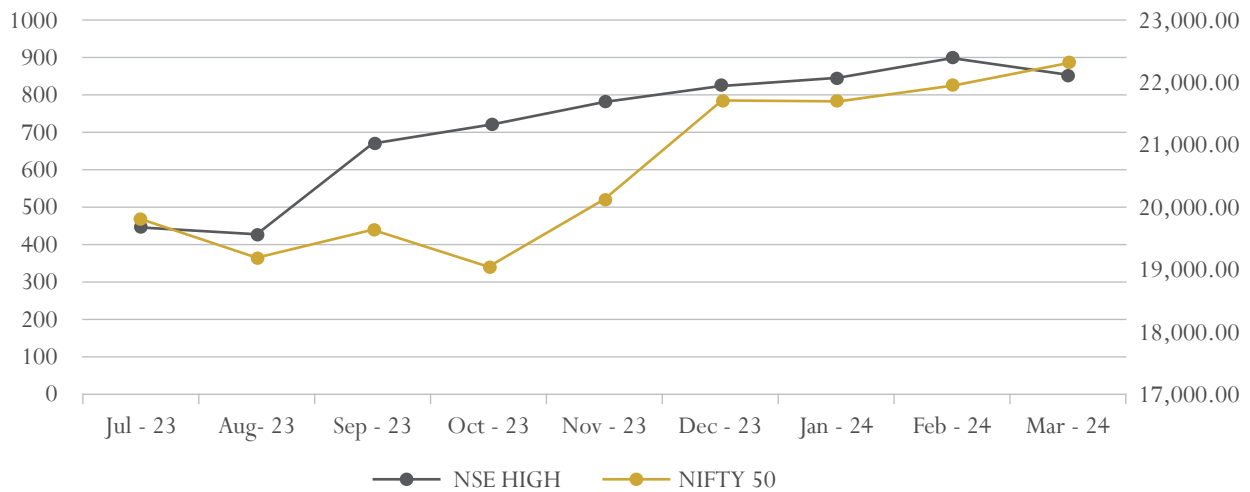
| MONTH | BSE | | NSE | | INDEX CLOSE PRICE | |
|--------|--------|--------|--------|--------|-------------------|-----------|
| | HIGH | LOW | HIGH | LOW | SENSEX | NIFTY |
| Jul-23 | 443.8 | 358.25 | 444 | 358.45 | 66,527.67 | 19,753.80 |
| Aug-23 | 432 | 384.8 | 432.3 | 384.2 | 64,831.41 | 19,253.80 |
| Sep-23 | 674 | 380.25 | 674 | 380 | 65,828.41 | 19,638.30 |
| Oct-23 | 721.65 | 576.5 | 724 | 582 | 63,874.93 | 19,079.60 |
| Nov-23 | 786.95 | 635.2 | 782.85 | 632 | 66,988.44 | 20,133.15 |
| Dec-23 | 822.9 | 693 | 823.25 | 692.3 | 72,240.26 | 21,731.40 |
| Jan-24 | 840 | 681.45 | 850 | 681.4 | 71,752.11 | 21,725.70 |
| Feb-24 | 895.9 | 724.15 | 897 | 724.9 | 72,500.30 | 21,982.80 |
| Mar-24 | 854.05 | 685.1 | 854.95 | 685 | 73,651.35 | 22,326.90 |

*The shares of the Company got listed on 14th July, 2024 on BSE Ltd and National Stock Exchange of India Limited (NSE).

SENCO Vs BSE SENSEX



SENCO Vs NSE NIFTY 50



k) Shareholding pattern as on 31st March 2024: -

| Category | No. of shareholders | No. of shares held | % of shareholding |
|---|---------------------|--------------------|-------------------|
| Promoter & Promoter Group | 5 | 5,31,89,002 | 68.45 |
| Mutual Funds and Alternate Investment Funds | 14 | 57,56,213 | 7.41 |
| Insurance Companies | 1 | 84,103 | 0.11 |
| Foreign Direct Investment | 1 | 83,68,252 | 10.77 |
| Foreign Portfolio Investors (Category I and II) | 18 | 25,32,453 | 3.25 |
| Body Corporate | 189 | 5,09,548 | 0.66 |
| Others | 62337 | 72,64,602 | 9.35 |
| TOTAL | 62565 | 7,77,04,173 | 100.00 |

* Number of shares as per PAN Base

l) Dematerialisation of shares and liquidity

100% of total equity capital is held in dematerialised form with NSDL and CDSL as on March 31, 2024.

m) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity shares as on March 31, 2024: Nil.

n) Share Transfer System

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the same, the entire share capital of the Company is in dematerialised form. The shares can be transferred by shareholders through their Depository Participants

o) Credit ratings

Particulars pertaining to credit rating are as follows:

| Rating Agency | Limit (Rs. in Crores) | Facility | Rating as on 31-03-2024 | Previous Rating |
|---------------|-----------------------|---|-----------------------------|---------------------|
| ICRA | Rs. 235.00 | Fixed Deposit Program | [ICRA]A(Stable) | [ICRA] A-(Positive) |
| ICRA | Rs. 1200.00 | Long Term / Short Term fund based working capital | [ICRA]A(Stable) / [ICRA]A2+ | [ICRA] A-(Positive) |

p) Directors retire by rotation

In accordance with provisions of Section 152 of the Companies Act, 2013 read with the Rules made thereunder, Mr. Suvankar Sen (DIN: 01178803) is liable to retire by rotation at the ensuing 30th Annual General Meeting and being eligible, offers himself for reappointment.

q) Green initiatives undertaken as per the directives of the Ministry of Corporate Affairs, Government of India

The Company as a responsible corporate citizen welcomes and supports the green initiatives taken by the Ministry of Corporate Affairs, Government of India by its circular, enabling electronic delivery of documents to the shareholders.

The Company has already implemented sending of the communication to the shareholders by electronic mode at their e-mail addresses registered with the depository/registrar and share transfer agent and all such communications were immediately uploaded at the Company's website. This helped in prompt delivery of documents while avoiding loss in transit.

The Company had requested the shareholders to register their e-mail IDs with their depository participants so as to enable the Company to use the same for serving documents to them electronically.

r) Foreign exchange risk management policy

The company is subject to foreign exchange risk arising out of foreign currency transactions foreign subsidiary with respect to Arab Emirates Dirhams (AED). With an objective to indemnify the Company as a result of foreign exchange fluctuations, the Company has framed a functional structure, which elaborates on the process of risk management and to protect profits/insulate itself against losses on account of forex fluctuations.

s) Dividend distribution policy

As required under Regulation 43A of the SEBI Listing Regulations 2015, Dividend Distribution policy is given separately in the Annual Report and the same is also available at the Company's website at: [Dividend Distribution Policy](#)

DISCLOSURES

a. Related-party transactions

In accordance with relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Company has formulated a policy on materiality of related-party transactions and on dealings with related-party transactions which can be accessed at: [Policy on Materiality of Related Party Transaction](#)

Approval of the Audit Committee for transactions with the related parties were obtained prior to the transaction. Transactions of repetitive nature with related parties are approved by the Audit Committee on an omnibus basis for one financial year at a time. All transactions pursuant to omnibus approval are reviewed by the Audit Committee on a quarterly basis.

A confirmation of compliance pertaining to related-party transaction as per SEBI Listing Regulations, 2015, is also sent along with the quarterly compliance report on corporate governance.

There were no materially significant related-party transactions that may have potentially conflict with interest of the company at large and all contracts/agreements/transactions entered into during the period with the related parties were carried out at arm's length basis at fair market value.

b. Governance in subsidiary companies

The Company does not have a material subsidiary. The policy for determination of materiality of subsidiaries can be accessed at: [POLICY FOR DETERMINING MATERIAL SUBSIDIARIES](#)

The Company is having two non-material subsidiary companies. The Audit Committee reviews the financial statements and investments of each of the subsidiary companies. Minutes of the Board & general meetings, financials, statement of all significant transactions/ arrangements and compliances of the subsidiary companies are placed before the Board.

The Company has complied with Regulation 24 of the SEBI Listing Regulations, 2015 with respect to the subsidiary companies.

As on March 31, 2024, the Company had the following wholly owned subsidiary Companies:

Senco Gold Artisanhip Pvt. Ltd.

Senco Global Jewellery Trading LLC, Dubai

c. Details of Non-Compliance

There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

d. Accounting treatment in preparation of financial statements

The Company followed the guidelines as laid down in the IND-AS, prescribed by the Institute of Chartered Accountants of India (ICAI) & the Central Government, for the preparation of the financial statements.

e. Whistle-blower mechanism

The Company has a strong and effective whistle-blower policy in place, which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/unlawful conduct, which an individual believes may be taking place within the organization, are raised at an early stage in a responsible and confidential manner. The above mechanism was appropriately communicated within the Company, across levels, and was displayed on the Company's website.

This mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism. The Audit Committee is empowered to monitor the functioning of the mechanism. It reviews the status of complaints received under this policy. The Committee has, in its report, affirmed that no personnel was denied access to the Audit Committee.

Weblink for accessing the vigil mechanism: [Policy on Vigil Mechanism & Whistle Blower Policy](#)

f. Risk management

The Company has framed a comprehensive enterprise Risk Management Policy and a new risk register, not only to manage risks but also to minimise their impact. This policy is periodically reviewed by the management as well as the Risk Management Committee in consultation with reputed and specialised consultants. The policy is updated as per requirements to ensure that the risks are properly dealt and mitigated. The risk management procedures are discussed and periodically reviewed by the Risk Management Committee, Audit Committee and the Board of Directors.

g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI LODR, 2015

During the year the Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI LODR, 2015.

h. Management discussion and analysis report

The Company's annual report has a separate section for detailed management discussion and analysis.

i. Observance of the Secretarial Standards issued by the Institute of Company Secretaries of India

The Institute of Company Secretaries of India has issued Secretarial Standards on board meetings & general meetings and also issued draft secretarial standards for payment of dividend, maintenance of register and records, minutes of meetings, transmission of shares and debentures, passing of resolution by circulation, affixing of common seal among others. The Ministry of Corporate Affairs has mandated SS-1 and SS-2 with respect to Board/Committee meetings and General meetings respectively. The Company has complied with these two standards and voluntarily complied with the other standards.

j. Disclosure on compliance with corporate governance requirements specified in SEBI Listing Regulations, 2015

The Company has complied with the requirements of Part C (Corporate Governance Report) of sub-para (2) to (10) of Schedule V of the SEBI Listing Regulations, 2015 and the Regulations 17 to 27 and clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 the SEBI Listing Regulations, 2015.

k. Disclosure on commodity price risks or foreign exchange risks and hedging activities

The Company is subject to market risks with respect to fluctuations in the gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold. The Company hedges its exposure to risks through a judicious mix of long-term & short-term strategic buying initiatives as and when required to safe-guarding the earnings of the company against adverse price movements of the gold as well as foreign exchange risks.

A robust framework and governance mechanism is in place to ensure that the Company is effectively safeguarded from market volatilities in terms of price and availability. A robust planning and strategy framework ensures that the Company's interests are protected despite volatilities in gold prices. With regard to foreign exchange risks, keeping in view the position of rupee in the market vis-à-vis foreign currency, the Company has been taking forward cover for foreign currency hedging from time to time and the same are fully hedged at the time of inception itself, as per the hedging policy framework of the Company.

l. Disclosure of payment to statutory auditors and other firms under network of the statutory auditors by the Company and its subsidiaries:

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors for the financial year ended March 31, 2024 is Rs. 7.84 millions.

m. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

The Company has not raised any funds through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

n. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the Financial Year 2023-24 no cases of sexual harassment were received by the Company.

o. During the year under review, the recommendations made by the different Committees have been accepted and there were no instances where the Board of Directors had not accepted any recommendation of the Committees.

p. Loans and Advances provided by the Company and its subsidiary in the nature of loans to firms/companies in which the director is interested is provided in Note 42 of the Consolidated Financial Statements.

q. As on 31st March, 2024 the Company does not have any material subsidiary.

- r. A certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached as an annexure.
The Company has obtained a compliance certificate from the Practising Company Secretary on Corporate Governance, and the same is attached as an annexure.
- s. Disclosure with respect to demat suspense account/unclaimed suspense account is not applicable to the Company for the Financial Year ended March, 31 2024.
- t. There were no agreements binding on the Company under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations, 2015.
- u. The CEO's and CFO's certification, as required by SEBI Listing Regulations, is enclosed at the end of the report.

v. **Compliance requirements**

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of the regulations are as below:

I) Mandatory requirements

The Company is fully compliant with the mandatory requirements of the SEBI Listing Regulations, 2015.

II) Non-mandatory requirements as per Part E of Schedule II of Listing Requirements:

1. Shareholders' rights

The Audited Financial Statements are displayed on the Company's website: <https://sencogoldanddiamonds.com/investor-relations>

2. Audit qualification

The Auditors have expressed an unmodified opinion in their report on the standalone and consolidated financial statements of the Company.

3. Reporting of internal auditor

The Company has a well-defined and structured internal audit control system to ensure reliability of operational and financial information, statutory/regulatory compliances and safeguard of the assets of the Company. The internal auditor reports directly to the Audit Committee & Board.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 13-08-2024

Ranjana Sen
Chairperson & Executive Director
DIN: 01226337

Certificate on Corporate Governance for the year ended 31.03.2024

To
the Members of
Senco Gold Limited

We have examined the compliance of conditions of Corporate Governance by Senco Gold Limited (“the Company”) in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) for the year ended 31.03.2024.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Note: The equity shares of the Company have been listed at BSE Limited and National Stock Exchange of India Limited w.e.f. 14.07.2023.

For **A. K. LABH & Co.**
Company Secretaries

(CS A. K. LABH)
Practicing Company Secretary
FCS : 4848 / CP No : 3238
UIN : S1999WB026800
PRCN : 1038/2020
UDIN : F004848F000959263

Place : Kolkata
Dated : 13-08-2024

Certificate of Non-Disqualification of Directors

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

To
The Members of
Senco Gold Limited
‘Diamond Prestige’
41A, A.J.C. Bose Road
10th Floor, Unit No. 1001
Kolkata – 700017

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Senco Gold Limited** having CIN: L36911WB1994PLC064637 and having registered office at ‘Diamond Prestige’, 41A, A.J.C. Bose Road, 10th Floor, Unit No. 1001, Kolkata - 700017 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---------|-----------------------|----------|--------------------------------|
| 1. | Suvankar Sen | 01178803 | 17.02.2005 |
| 2. | Ranjana Sen | 01226337 | 12.08.2020 |
| 3. | Bhaskar Sen | 03193003 | 18.09.2021 |
| 4. | Shankar Prasad Halder | 06521264 | 03.02.2022 |
| 5. | Kumar Shankar Datta | 07248231 | 23.07.2018 |
| 6. | Suman Varma | 08127928 | 22.05.2018 |
| 7. | Joita Sen | 08828875 | 12.08.2020 |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters, if any, which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also 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.

Place : Kolkata
Dated : 13-08-2024

Signature:

Name: CS Atul Kumar Labh

Membership No. : FCS 4848

CP No : 3238

PRCN : 1038/2020

UIN : S1999WB026800

UDIN : F004848F000959221

Declaration by the Managing Director & CEO under the Securities and Exchange Board of India (listing obligations and disclosure requirements) Regulations, 2015 regarding the compliance with the code of conduct

I, Suvankar Sen, (DIN: 01178803) Managing Director & CEO of the Company hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2023-24.

Place: Kolkata
Date: 13-08-2024

Suvankar Sen
Managing Director & CEO
DIN 01178803

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as per Regulation 17(8) of the SEBI (Listing LODR) Regulations 2015

To
The Board of Directors
Senco Gold Limited
“Diamond Prestige”
41A A.J.C Bose Road, 10th Floor,
Kolkata-700017

CERTIFICATION TO THE BOARD PURSUANT TO REGULATION 17 (8) OF SEBI LODR

We, Suvankar Sen, Managing Director & CEO and Sanjay Banka, CFO of Senco Gold Limited, to the best of our knowledge and belief certify that:

1. we have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2024, and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit to state a material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company which are fraudulent, illegal or violate the Company's code of conduct.
3. The Company's other certifying officers and we are responsible for establishing and maintaining internal controls and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same.
4. The Company has disclosed wherever applicable to the Company's auditors and to the audit committee of the Company, the following:
 - a. Significant changes if any, in internal control, over financial reporting during the year;
 - b. Significant changes if any, during the year and the same have been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

We further declare that all members of the Board and Committees and all employees working at the level of head of the department have affirmed compliance with the Code of Conduct of the Company for the financial year 2023-24.

Place: Kolkata
Date: 23-05-2024

Suvankar Sen
Managing Director & CEO
DIN: 01178803

Sanjay Banka
Chief Financial Officer

Business Responsibility & Sustainability Report (BRSR)

Financial Year 23-24

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| Principle 2 - Businesses should provide goods and services in a manner that is sustainable and safe. | 103 |
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| Principle 4 - Businesses should respect the interests of and be responsive to all their stakeholders. | 109 |
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| Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. | 118 |
| Principle 8 - Businesses should promote inclusive growth and equitable development. | 119 |
| Principle 9 - Businesses should engage with and provide value to their consumers in a responsible manner. | 121 |

Preface to the Business Responsibility and Sustainability Report (BRSR) for Senco Gold Limited

We are delighted to present the inaugural Business Responsibility and Sustainability Report (BRSR) for Senco Gold Limited for the financial year 2023-2024. This report marks a significant milestone in our journey towards sustainability and responsible business practices, reflecting our unwavering commitment to ethical governance, environmental stewardship, and social responsibility.

Celebrating Milestones and Achievements

The year 2023-2024 has been a landmark period for Senco Gold Limited, highlighted by two significant achievements. On 14th July 2023, we celebrated our successful debut on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). This achievement is a testament to the confidence our stakeholders have in our vision, operational excellence, and growth prospects.

Additionally, we are proud to announce that Senco Gold Limited became a member of the Responsible Jewellery Council (RJC) in July 2023. Founded in 2005, the RJC is the world's leading standard-setting organization for the jewellery and watch industry, with members in 71 countries. As India's first large jewellery retailer to join the RJC, Senco Gold is committed to adhering to the highest standards of ethical, social, and environmental practices in the jewellery industry. Our inclusion in the RJC signifies our dedication to responsible sourcing and sustainable business operations. We are committed to ensuring that our products reflect not only the beauty and craftsmanship our customers expect but also our values of transparency, integrity, and social responsibility.

Our Commitment to Sustainability

At Senco Gold, sustainability is not merely an operational guideline but a core value that drives our strategic decisions and day-to-day activities. We have implemented robust policies and procedures to minimize our environmental footprint, enhance social well-being, and uphold the highest standards of corporate governance. This report encapsulates our comprehensive approach to managing our business responsibly, ensuring that our growth and success benefit all stakeholders, including our customers, employees, communities, and the environment.

Key Highlights

- Environmental Stewardship:** Senco Gold has undertaken significant initiatives to reduce our carbon footprint, optimize resource usage, and promote eco-friendly practices across our operations. Our commitment to energy conservation, waste management, and sustainable sourcing is detailed in this report, showcasing our efforts to contribute positively to environmental preservation.
- Social Responsibility:** Our dedication to social equity is evident through our diverse and inclusive workplace, community engagement programs, and robust health and safety measures. We pride ourselves on fostering a supportive and equitable work environment, ensuring that our employees and their families thrive.
- Governance Excellence:** Transparency and accountability are the cornerstones of our corporate governance framework. This report provides insights into our ethical business practices, anti-corruption measures, and comprehensive risk management strategies that safeguard our integrity and uphold stakeholder trust.

Our Future Vision

Looking ahead, Senco Gold Limited is poised to continue its journey towards greater sustainability and responsible business practices. We are committed to setting ambitious ESG targets, innovating for sustainable growth, and contributing to the broader goals of societal well-being and environmental sustainability.

Gratitude and Invitation

We extend our heartfelt gratitude to all our stakeholders for their unwavering support and collaboration. Together, we aspire to create a legacy of responsible luxury that resonates with our values and enriches lives while preserving our planet for future generations. This report serves as a testament to our dedication to sustainable business practices and our continuous efforts to enhance our ESG performance. We invite you to explore the detailed sections of this BRSR, which provide a comprehensive overview of our initiatives, achievements, and future commitments.

Senco Gold Limited remains steadfast in its mission to lead with integrity, innovate with purpose, and grow sustainably.

Section A:

General Disclosures

Details of the Listed Entity

| Sl. | Particulars | Details |
|-----|--|--|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L36911WB1994PLC064637 |
| 2 | Name of the Listed Entity | Senco Gold Limited |
| 3 | Year of incorporation | 1994 |
| 4 | Registered office address | 41A, A. J. C. Bose Road, Diamond Prestige, 10 th Floor, Kolkata 700 017 |
| 5 | Corporate address | 41A, A. J. C. Bose Road, Diamond Prestige, 10 th Floor, Kolkata 700 017 |
| 6 | E-mail | contactus@sencogold.co.in |
| 7 | Telephone | 033 40215000/5004 |
| 8 | Website | www.sencogoldanddiamonds.com |
| 9 | Financial year for which reporting is being done | 1/04/2023 to 31/03/2024 |
| 10 | Name of the Stock Exchange(s) where shares are listed | NSE & BSE |
| 11 | Paid-up Capital (Rs.) | 77,70,41,730 |
| 12 | Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Mukund Chandak Company Secretary and Compliance Officer mukund.chandak@sencogold.co.in |
| 13 | Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together) | Standalone Basis |
| 14 | Name of assurance provider | Not Applicable |
| 15 | Type of assurance obtained | Not Applicable |

Product/Services

16. Details of business activities (accounting for 90% of the turnover):

| Sl. | Description of Main Activity | Description of Business Activity | % of the turnover of the entity |
|-----|--|---|---------------------------------|
| 1 | Manufacturing and sale of Jewellery goods. * | Manufacturing and sale of Jewellery goods | 100 |

*Operations don't include mining these minerals. Senco currently does not source gold directly from mines.

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| Sl. | Product/Service | NIC Code | % of total turnover contributed |
|-----|---|----------|---------------------------------|
| 1 | Manufacture of jewellery of gold, silver, and other precious or base metal clad with precious metals or precious or semi-precious stones, or of combinations of precious metal and precious or semi-precious stones or of other materials | 32111 | 100 |

Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of stores (COCO) | Number of offices | Total |
|---------------|------------------|-------------------------|-------------------|-------|
| National | 2 | 93 | 3 | 98 |
| International | - | - | - | - |

19. Markets served by the entity

a. Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 16 |
| International (No. of Countries) | - |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of Exports – 4%

c. A brief on types of customers

Senco Gold caters to value-conscious customers seeking trendy gold designs for everyday elegance and cherished moments.

Employees

20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):

Our workforce exemplifies strong gender diversity, with women comprising 37% of our permanent staff and 59% of our other staff categories. Our team is balanced with 36% female representation, reflecting our commitment to inclusivity and equal opportunity.

| Sl. | Particulars | Total (A) | Male | | Female | |
|------------------|------------------------------|-------------|-------------|------------|------------|------------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1 | Permanent (D) | 2247 | 1425 | 63% | 822 | 37% |
| 2 | Other than Permanent (E) | 119 | 49 | 41% | 70 | 59% |
| 3 | Total employees (D+E) | 2366 | 1474 | 62% | 892 | 38% |
| WORKERS | | | | | | |
| 4 | Permanent (F) | 98 | 96 | 98% | 2 | 2% |
| 5 | Other than Permanent (G) | 1 | 1 | 100% | - | - |
| 6 | Total workers (F + G) | 99 | 97 | 98% | 2 | 2% |

b. Differently abled Employees and workers

| Sl. | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|-----------|------------|----------|------------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1 | Permanent (D) | 20 | 16 | 80% | 4 | 20% |
| 2 | Other than Permanent (E) | - | - | - | - | - |
| 3 | Total differently-abled employees (D + E) | 20 | 16 | 80% | 4 | 20% |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4 | Permanent (F) | - | - | - | - | - |
| 5 | Other than permanent (G) | - | - | - | - | - |
| 6 | Total differently-abled workers (F + G) | - | - | - | - | - |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 7 | 3 | 43% |
| Key Management Personnel | 2 | 0 | 0% |

22. Turnover rate for permanent employees and workers

| | FY 2023-24 (Turnover rate in current FY) | | | FY 2022-23 (Turnover rate in previous FY) | | | FY 2021-22 (Turnover rate in the year prior to the previous FY) | | |
|---------------------|---|--------|-------|--|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 17% | 22% | 19% | 17% | 22% | 19% | 14% | 21% | 16% |
| Permanent Workers | 1% | 0 | 1% | 3% | 0 | 3% | 0% | 0% | 0% |

*The above numbers exclude other than permanent employees and other than permanent workers.

23. Names of holding/subsidiary / associate companies / joint ventures

| Sl. | Name of the holding/subsidiary/ associate companies/ joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by the listed entity | Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|-----|---|--|---------------------------------------|--|
| 1 | Senco Gold Artisanhip Private Limited | Wholly owned Subsidiary | 100 | Yes |
| 2 | Senco Global Jewellery Trading LLC, Dubai | Wholly owned Subsidiary | 100 | No |

CSR Details

24. a. Whether CSR is applicable as per section 135 of the Companies Act, 2013: (Yes/No)

Yes

b. Turnover (in Rs. Mn)

INR 52,199.10 Mn for FY 23-24.

c. Net worth (in Rs. Mn)

INR 13,770.08 Mn for FY 23-24.

These initiatives reflect the company's commitment to positively impacting society through targeted and meaningful CSR activities.
<https://sencogold.com/csr>

◆ Education and Skill Development

- » Support for educational initiatives and skill development programs to empower the community.
- » Shivsway (Shaankar Sen Institute of Vocation Training For Women & Youth)
- » Project: Kishalaya

◆ Healthcare

- » Initiatives to improve healthcare access and quality, including medical camps and awareness programs.
- » Prabhat Diagnostic Centre
- » Polyclinic facilities
- » Mobile Medical Unit

◆ Environmental Sustainability

- » Projects focused on environmental conservation, waste management, and sustainable practices.
- » Green Flame - Installation of improved Chula for reducing pollution & woman empowerment.
- » Project Swarna Sundari (Mangrove Plantation) - Plantation of Mangrove trees in the Sundarbans, North 24 Parganas.

- ◆ Community Development
 - » Various programs aimed at enhancing the quality of life in local communities, including infrastructure improvements and support for local artisans.
 - » Training Programs - Jewellery CAD Design, Retail Sales Orientation
- ◆ Women's Empowerment
 - » Programs designed to support and empower women through education, training, and economic opportunities.

Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

| Stakeholder group from whom the complaint is received* | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for the grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|--|---|--|--|--|--|--|--|
| | | Number of complaints filed during the year | Number of complaints pending resolution at the close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at the close of the year | Remarks |
| Communities | Yes | - | - | None | - | - | None |
| Investors (other than shareholders) | https://sencogoldanddiamonds.com/investor-relations | - | - | None | - | - | None |
| Shareholders | | 16 | 0 | None | 0 | 0 | The company listed on 14 th July 2023 |
| Employees and workers | | - | - | We regularly conduct surveys to gather employee feedback and address grievances through formal and informal mechanisms. Additionally, we have a whistleblower policy, a POSH policy, and dedicated committee members to handle any unethical or undesirable acts | 1 | 0 | We regularly conduct surveys to gather employee feedback and address grievances through formal and informal mechanisms. Additionally, we have a whistleblower policy, a POSH policy, and dedicated committee members to handle any unethical or undesirable acts |
| Customers | | 3250 | 22 | - | 1342 | 0 | - |
| Value Chain Partners | | - | - | - | - | - | - |
| Other (please specify) | | - | - | - | - | - | - |

*Complaints/Grievances received from stakeholders other than shareholders are not significant in nature and are resolved promptly.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, and approach to adapt or mitigate the risk along with its financial implications, as per the following format:

| Sl. | Material issue identified | Indicate whether risk or opportunity (R/O) | The rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-----|--|--|--|---|--|
| 1 | Customer Experience | Opportunity ↑ | As a customer-centric Company, its success is largely attributed to maintaining excellent relationships and building loyalty with a large customer base across the markets it serves. | Several initiatives to engage with customers through various means, including virtual interactions Loyalty-driven programs and promotion of products and services, Custom Jewellery Design Services, In-Store Events (Birthdays/Anniversary), Convenient Payment Options, Efficient After-Sales Service, Seasonal and Themed Collections, Virtual Try-On Technology, Instant Financing Options, Dedicated Customer Service department, Enhanced customer experience at retail stores, Leveraging social media platforms to listen & reciprocate to the consumers as a continuous engagement activity. | Positive |
| 2 | Data Security and Privacy | Risk ↓ | Companies are assessed based on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their data protection systems. | At the company, we are proactively working on various avenues for enhanced data management and software capabilities. We focus on leveraging cloud-based data storage solutions and upgrading our software services. By embracing these possibilities, we aim to optimise efficiency, scalability, and overall performance to meet the evolving needs of our valued stakeholders. | Negative |
| 3 | Talent Sourcing, Retention & Motivation | Opportunity ↑ | The difficulty in identifying and retaining a talented workforce can lead to decreased productivity and project delays, which may adversely impact the business overall. | The company is prioritizing employee growth and stability by implementing a recognition program and offering benefits such as Mediclaim coverage, including parents, and an accidental policy. Additionally, the company is focusing on continuous engagement, a time-bound growth plan, and enhancing the happiness quotient of existing employees while also taking remedial measures as needed. | Positive |
| 4 | Product Design, Innovation, quality and safety | Opportunity ↑ | Product design is crucial for a jewellery company as it significantly attracts customers and sets the brand apart from competitors. Ensuring product safety is equally important to maintain customer trust and avoiding any potential harm, especially in the Indian market, which has strict regulations regarding jewellery quality and purity. | 1,51,000+ Gold jewellery designs 85,000+ Diamond jewellery designs 2 nd Most Trusted Jewellery Brand in India by TRA 2024 2 nd Most Desired Jewellery Brand in India by TRA 2023 <ul style="list-style-type: none"> Identifying, understanding, controlling, and eliminating the risks associated with hazards at the workplace Remaining contemporary with design and launch of new products Investments in the latest technologies | Positive |

Section B:**Management and Process Disclosures**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|--|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | |
| Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Web Link of the Policies, if available | 1. Anti-bribery & Anti-corruption Policy 2. Code of Conduct 3. ESG Policy 4. POSH Policy 5. CSR Policy 6. Policy on Board Diversity 7. Vigil Mechanism/ Whistle Blower Policy Investor Relations (sencogoldanddiamonds.com) | | | | | | | | |
| Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | Our company has incorporated the Bureau of Indian Standards (BIS) across its entire range of jewellery products, guaranteeing its offerings' quality and dependability. In addition to this, as a future activity, we are committed to conducting environmental assessments based on global standards such as the Global Reporting Initiative (GRI), International Finance Corporation (IFC), and Task Force on Climate-related Financial Disclosures (TCFD). This initiative aims to ensure that our business operations align with internationally recognised environmental standards, reflecting our dedication to sustainable and responsible practices across all operations. | | | | | | | | |
| Specific commitments, goals, and targets are set by the entity with defined timelines, if any. | In our first year of ESG adoption as an organisation, we recognise the importance of setting targets to measure progress towards achieving all principles of the NGRBC. Accordingly, we align our ESG efforts with our business objectives and are committed to implementing a robust ESG strategy that ensures sustainability and delivers long-term value to all stakeholders. | | | | | | | | |
| Performance of the entity against the specific commitments, goals and targets, along with reasons in case the same are not met. | The company is in the process of adopting and implementing ESG at the organisational level, the performance of which can be fully evaluated in years to come. | | | | | | | | |
| Governance, leadership, and oversight | | | | | | | | | |
| Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure). | | | | | | | | | |
| Senco Gold Ltd. is to be a catalyst for transformation in the jewellery sector, leading the charge toward a more sustainable and equitable future. We envision a world where every piece of jewellery reflects timeless beauty and a commitment to environmental preservation, social justice, and ethical governance. By championing transparency, empowering communities, and driving industry-wide change, we strive to set a new standard for responsible luxury that enriches lives and protects the planet. | | | | | | | | | |
| Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | The Board of Senco Gold Limited is the highest authority responsible for overseeing the implementation of Business Responsibility policies. The Chief Executive Officer and Managing Director of the Company is the highest authority responsible for implementing all policies in Senco. | | | | | | | | |
| Does the entity have a specified committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details. | Yes. The Board of Directors has formulated an ESG Committee to overview the company's ESG implementation. | | | | | | | | |

Details of Review of NGRBCs by the Company

| Subject for Review | Indicate whether the review was undertaken by the Director / Committee of the Board/ Any other Committee. | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against the above policies and follow-up action. | Board of Directors | | | | | | | | | Annually | | | | | | | | |
| Compliance with statutory requirements relevant to the principles and rectification of any non-compliance. | ESG Committee | | | | | | | | | Quarterly | | | | | | | | |
| Has the entity carried out an independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency. | | | | | | | | | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| | | | | | | | | | | No | | | | | | | | |

1. If the answer to question (1) above is “No”, i.e., not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|----------------|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

Section C: Principle-Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity mandated to file this report, the leadership indicators may be voluntarily disclosed by entities that aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

Principle

1

Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent, and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | Percentage of persons in respective category covered by the awareness programmes |
|--------------------|--|--|--|
| Board of Directors | 4 | Familiarisation program concerning the Role and responsibility of the Directors, Board Automation, Manufacturing process of the company’s product, | 50% |
| | 1 | ESG Framework and BRSR Report | 100% |

| Segment | Total number of training and awareness programmes held | Topics/ principles covered under the training and its impact | Percentage of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|--|--|
| Key Managerial Personnel | 3 | Familiarisation program concerning ESG Framework and nine principles of NGRBC. Training on POSH. Training on Prohibition of Insider Trading. | 100% |
| Employees other than BoD and KMPs | 2 | Training program on the 09 Principles of NGRBC | 39% |
| | 1 | Training program on understanding and working with specially-abled employees. | |
| Workers* | Not Applicable | Not Applicable | Not Applicable |

*Workers are considered in the employee category only.

2. **Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|--|--|---|-------------------|--|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine Settlement Compounding Fee | <p>1. An Order has been passed by the Principal Commissioner, CGST & CX, Kolkata North Commissionerate, for excess Cenvat Credit availed amounting to Rs 1,59,31,470/- under the rule of 14 of Cenvat Credit Rules (CCR) 2004 and imposed a penalty amounting to Rs 8,95,76,460/- u/s 11AC of CEA 1944. It pertains to the financial year 2016-17.</p> <p>2. Notice issued u/s 129(3) of CGST Act by Commercial Tax Officer (Enforcement) Devanahalli, Bengaluru, for lack of information of goods in Delivery Challan at the time of movement through Transporter [17.641 grams customer Jewellery for repair and valuation purpose]. Only a penalty of Rs. 6,350/- has been levied u/s 129(1) of the CGST Act 2017.</p> | | | | |
| Non-Monetary | | | | | |
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) | |
| Imprisonment Punishment | NIL | | | | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.**

| Case details | Name of the regulatory/ enforcement agencies / judicial institutions |
|--|--|
| 1. Order received from The Principal Commissioner, CGST & CX, Kolkata North Commissionerate, as specified in point no 1 above. | The company has challenged the said order and filed an appeal before CESTAT, Kolkata, on 21.04.2024. |
| 2. Notice received from Commercial Tax Officer (Enforcement) Devanahalli, Bengaluru, as specified in point no 2 above. | Amount of Penalty of Rs. 6,350/- was paid, and no appeal was filed. |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and, if available, a web link to the policy.

Senco Gold Limited's Anti-Bribery & Anti-Corruption Policy mandates zero tolerance for bribery and corruption, applying to all employees and stakeholders globally. It prohibits any form of bribery, ensures compliance with all applicable laws, and mandates accurate record-keeping, anti-money laundering measures, and internal investigations for suspected violations.

Policy Document - <https://sencogold.com/corporate-governance>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

| | FY 2023-24 | FY 2022-23 |
|-----------|------------|------------|
| Directors | | |
| KMPs | | |
| Employees | | Nil |
| Workers | | |

6. Details of complaints with regard to conflict of interest

| | FY 2023-24 | | FY 2022-23 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of the Directors | Nil | | Nil | |
| Number of complaints received in relation to issues of conflict of interest of the KMPs | | | | |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions on cases of corruption and conflicts of interest.

NA

8. No. of days of accounts payables ((Accounts payable *365)/ Cost of goods/services procured) in the following format:

| | FY 23-24 (Current financial year) | FY 22-23 (Previous financial year) |
|-------------------------------------|--------------------------------------|---------------------------------------|
| Number of days of accounts payables | 16 Days | 17 Days |

9. Openness of business

Provide details of the concentration of purchases and sales with trading houses, dealers, and related parties, along with loans and advances & investments with related parties, in the following format:

| Parameter | Metrics | FY 23-24 (Current financial year) | FY 22-23 (Previous financial year) |
|----------------------------|---|-----------------------------------|------------------------------------|
| Concentration of Purchases | a. Purchases from trading houses* as % of total purchases | 19.35% | 22.84% |
| | b. number of trading houses where purchases are made from | 144 | 130 |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | 42.61% | 46.22% |
| Concentration of Sales | a. Sales to dealers/distributors as % of total sales | 6.75% | 4.89% |
| | b. number of dealers/distributors to whom sales are made | 51 | 50 |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 69.38% | 58.39% |

| Parameter | Metrics | FY 23-24 (Current financial year) | FY 22-23 (Previous financial year) |
|------------------|--|-----------------------------------|------------------------------------|
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | 0.73% | 1.42 % |
| | b. Sales (Sales to related parties / Total Sales) | 0.53 % | 0.02 % |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | 32.86% | 20.81% |
| | d. Investments (Investments in related parties / Total Investments made) | 98.92% | 96.92% |

*The Company defines Trading Houses as vendors (both domestic & international) who only buy and sell products without any value addition to that product

Leadership Indicators

Senco Gold Limited demonstrates a strong commitment to governance and compliance excellence, ensuring transparency, accountability, and ethical business practices across its operations. The company conducts comprehensive training and awareness programs on various principles, engaging key stakeholders, including the Board of Directors, Key Managerial Personnel, and all employees, which includes external Karigars, on critical topics such as the ESG Framework, NGRBC principles, and workplace policies. These initiatives aim to promote a culture of integrity and responsibility throughout the organisation, with a notable percentage of individuals participating in these programs, reflecting the company's dedication to fostering a well-informed and inclusive workforce.

Moreover, Senco Gold Limited upholds a zero-tolerance policy towards corruption and conflict of interest, as evidenced by the implementation of robust anti-corruption and anti-bribery policies. The company actively monitors and addresses instances of fines, penalties, and regulatory actions, ensuring timely corrective measures are taken where necessary. Additionally, the organisation maintains a strong focus on financial transparency and openness, as demonstrated by its low accounts payable days and detailed disclosure of transactions with related parties. These efforts underscore Senco Gold Limited's commitment to governance excellence and its dedication to upholding the highest standards of integrity and compliance in all operations.

Principle

2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|-------|------------|------------|---|
| R & D | 0 | 0 | NA |
| Capex | 0 | 0 | |

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- If yes, what percentages of inputs were sourced sustainably?

100%

65% of fresh gold bars consumed are procured from RBI-designated banks, and 35% is from recycled gold received from customers. Currently, we can oversee sourcing until the first stage of procurement, i.e., till our first supplier. The company has formulated comprehensive policies and guidelines that explicitly outline its unwavering commitment to ethical practices. These policies emphasise the sourcing of materials exclusively from certified and responsible suppliers.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.

Our focus is on crafting and selling fine jewellery; therefore, the concept of product reclaim does not pertain to our items. Nevertheless, we are unwavering in our commitment to sustainability, integrating eco-friendly practices into every aspect of our operations:

- a. Sustainable jewellery: We are deeply committed to the artistry and quality of our pieces, ensuring they adhere to the highest standards in the industry. Senco Gold & Diamonds believes in creating jewellery pieces meant to be worn for ages and are sustainable, as opposed to regular junk jewellery, which tarnishes and eventually adds to fashion waste.
- b. SENCO's 'PROJECT GREEN'- Directed towards Digital Readiness and Go-Green department: The company has enhanced its processes with digital onboarding, paperless employee documentation through QR codes, geo-tagging and geo-fencing and leveraging artificial intelligence to assess employee satisfaction. Furthermore, it has implemented a help desk module, utilizing Power BI for advanced business intelligence, managing the performance management system (PMS) and the entire employee life cycle digitally. We have also received the Great Place to Work badge in 2023, and India's best workplace is in "Health and Wellness 2023" by GPTW.

As a responsible corporate citizen, the company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India. It enables electronic delivery of documents, including the Annual Report, to shareholders at their e-mail addresses previously registered with the DPs and RTAs. Shareholders without registered e-mail addresses are requested to do the same. Those holding shares in demat form can register their e-mail addresses with the concerned DPs.

- c. Sustainable Waste Management: Adequate measures are taken to procure and use safe materials for operations. Pre-determined places are identified for appropriately storing, segregating, and disposing of hazardous and non-hazardous wastes, following regulatory and legal requirements. Wherever possible, waste is recycled and reused accordingly.
- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No

Leadership Indicators

Senco Gold Limited has become a Responsible Jewellery Council (RJC) member as on July 2023. Founded in 2005 and now with members globally in 71 countries, the RJC is the world's leading standard-setting organisation for the jewellery and watch industry. Senco Gold aims to achieve RJC Certification by July 2025.

The RJC is the global membership and standards body for responsible jewellery throughout the entire supply chain—from mine to retail. Its 'Code of Practice' references key development frameworks, including the Universal Declaration of Human Rights, ILO Principles, UN Global Compact, and Sustainable Development Goals (SDGs).

Through our membership, we are committed to promoting responsible practices and ethical standards within the jewellery industry.

Principle

3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees

| % of employees covered by | | | | | | | | | | | |
|---------------------------------------|-------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|----------|---------------------|-------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 1425 | 1425 | 100% | 1425 | 100% | - | - | - | - | 1425 | 100% |
| Female | 822 | 822 | 100% | 822 | 100% | 822 | 100% | - | - | 822 | 100% |
| Total | 2247 | 2247 | 100% | 2247 | 100% | 822 | 100% | - | - | 2247 | 100% |
| Other than Permanent employees | | | | | | | | | | | |
| Male | 49 | 49 | 100% | 49 | 100% | - | - | - | - | 49 | 100% |
| Female | 70 | 70 | 100% | 70 | 100% | 70 | 100% | - | - | 70 | 100% |
| Total | 119 | 119 | 100% | 119 | 100% | 70 | 100% | - | - | 119 | 100% |

b. Details of measures for the well-being of workers

| % of workers covered by | | | | | | | | | | | |
|-------------------------------------|-----------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-----------|---------------------|-------------|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | 96 | 96 | 100% | 96 | 100% | NA | NA | NA | NA | 96 | 100% |
| Female | 2 | 2 | 100% | 2 | 100% | 2 | 100% | NA | NA | 2 | 100% |
| Total | 98 | 98 | 100% | 98 | 100% | 2 | 100% | NA | NA | 98 | 100% |
| Other than Permanent workers | | | | | | | | | | | |
| Male | 1 | 1 | 100% | 1 | 100% | NA | NA | NA | NA | 1 | 100% |
| Female | 1 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| Total | 1 | 1 | 100% | 1 | 100% | NA | NA | NA | NA | 1 | 100% |

c. Spending on measures towards the well-being of employees and workers (including permanent and other than permanent) in the following format –

| | FY 23-24 (Current financial year) | FY 22-23 (Previous financial year) |
|---|--|---|
| The cost incurred on well-being measures as a % of the total revenue of the company | 0.08% | 0.09% |

* The well-being expenses include all staff welfare contributions such as health and accident insurance, maternity benefits, reimbursements, additional health benefits, children's education support, and other related expenditures, but exclude salary or wages during maternity leave for all employees, including those on probation.

2. Details of retirement benefits for Current FY 2023-24 and Previous FY 22-23.

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|------------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total Workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 99.91% | 0 | Y | 99.90% | 0 | Y |
| Gratuity | 100% | 0 | Y | 100% | 0 | Y |
| ESI | 41 % | 0 | Y | 53% | 0 | Y |
| Other – please specify | NA | NA | NA | NA | NA | NA |

3. Accessibility of workplaces - Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

We have employees who are differently-abled. We are actively involved in implementing various facilities and initiatives to accommodate the specific needs of our differently-abled employees in the workplace. These efforts are part of our commitment to creating an inclusive and supportive environment where all employees can thrive.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

<https://sencogoldanddiamonds.com/investor-relations>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | NA | 87% | NA | 90% |
| Female | 97% | 85% | 100% | 50% |
| Total | 97% | 86% | 100% | 70% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

| | (If yes, then give details of the mechanism in brief) |
|--|--|
| Permanent Workers | Yes, |
| Other than Permanent Workers Employees | We have adopted an extensive Vigil Mechanism/ Whistle-blower Policy to facilitate open communication of concerns regarding unethical practices. This policy empowers stakeholders, including Directors and individual employees, to report genuine concerns to the Audit Committee. The mechanism ensures the protection of the complainant. The Vigil Mechanism/ Whistle-blower Policy is available at our corporate website at: https://sencowebfiles.s3.ap-south-1.amazonaws.com/website/files/Y99a4HBCxVdlbde7yFLeYmvYeHl8xqh0fUK3DZrP.pdf |
| Other than Permanent Employees | |

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|---------------------------|---|---|---------|--|---|---------|
| | Total employees/workers in the respective category(A) | No. of employees/Workers in the respective category who are part of the association(s) or Union (B) | % (B/A) | Total employees/workers in the respective category (C) | No. of employees/Workers in the respective category who are part of the association(s) or Union (D) | % (D/C) |
| Total Permanent Employees | 2247 | NA | NA | NA | NA | NA |
| - Male | 1425 | NA | NA | NA | NA | NA |
| - Female | 822 | NA | NA | NA | NA | NA |
| Total Permanent Workers | 98 | NA | NA | NA | NA | NA |
| - Male | 96 | NA | NA | NA | NA | NA |
| - Female | 2 | NA | NA | NA | NA | NA |

Note: Since there are no recognized unions at Senco Gold Limited, this clause is not applicable.

8. Details of training given to employees and workers

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|------------------|-------------|-------------------------------|------------|----------------------|------------|-------------|-------------------------------|------------|----------------------|------------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No.(E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 1474 | 960 | 65% | 960 | 65% | 1279 | 865 | 68% | 865 | 68% |
| Female | 892 | 776 | 87% | 776 | 87% | 773 | 617 | 80% | 617 | 80% |
| Total | 2366 | 1736 | 73% | 1736 | 73% | 2052 | 1482 | 72% | 1482 | 72% |
| Workers | | | | | | | | | | |
| Male | 97 | 78 | 80% | 78 | 80% | 87 | 59 | 68% | 59 | 68% |
| Female | 2 | 2 | 100% | 2 | 100% | 1 | 1 | 100% | 1 | 100% |
| Total | 99 | 80 | 80% | 80 | 80% | 88 | 60 | 68% | 60 | 68% |

9. Details of performance and career development reviews of employees and workers

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------|-------------|-------------|------------|-------------|-------------|------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 1425 | 1245 | 87% | 1279 | 1160 | 91% |
| Female | 822 | 727 | 88% | 773 | 616 | 80% |
| Total | 2247 | 1972 | 88% | 2052 | 1776 | 87% |
| Workers | | | | | | |
| Male | 97 | 94 | 97% | 87 | 82 | 94% |
| Female | 2 | 2 | 100% | 1 | 1 | 100% |
| Total | 99 | 96 | 97% | 88 | 83 | 94% |

*The above numbers include only the permanent employees, permanent workers, and trainee employees.

* Only employees, workers, and trainees who joined before 31st October of the financial year are eligible for performance and career development review.

10. Health and safety management system:

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes. The company prioritises the safety and well-being of its employees by providing comprehensive safety and occupational health training. Moreover, regular evacuation drills and mock exercises are organised to enhance preparedness for potential emergency scenarios.

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Our SOPs cover and ensure that the work-related risks and hazards are taken care of and suitable monitoring systems like safety alarm systems and safety equipments are seriously maintained.

- c. **Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes

- d. **Do the employees/workers of the entity have access to non-occupational medical and health care services? (Yes/ No)**

Yes

11. Details of safety-related incidents, in the following format

| Safety Incident/Number | Category | FY 2023-24 | FY 2022-23 |
|---|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million person-hours worked) | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| Total recordable work-related injuries | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| No. of fatalities | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| High-consequence work-related injury or ill-health (excluding fatalities) | Employees | NIL | NIL |
| | Workers | NIL | NIL |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Our prime priorities are the health and safety of our customers and employees in all aspects of our business operations, including our jewellery retail showrooms. We strictly adhere to the recommended health and safety practices set forth by local and national authorities in India. We also maintain a clean and sanitised showroom space with adequate ventilation and follow strict guidelines for handling and displaying our jewellery products.

13. Number of Complaints on the following made by employees and workers

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working Conditions | Nil | Nil | Nil | Nil | Nil | Nil |
| Health & Safety | Nil | Nil | Nil | Nil | Nil | Nil |

14. Assessment for the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Health and safety practices | No assessment has been done by a third party, but on a regular basis, internal assessment has been done to ensure the health and safety of corporate offices, showrooms, and factories. |
| Working Conditions | |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

NA

Leadership Indicators

Equal Opportunity for LGBTQ Individuals: Senco has strived to create a great workplace over the past five decades. The company has introduced diversity and inclusion programs, including funding the gender transformation of two of its LGBTQ employees. Senco has engaged seven LGBTQ individuals as full-time employees and aims to increase this number to at least 50 in FY 2025-26.

Developing a Culture to Improve Employee Wellness: Senco Gold Limited extends its welfare programs beyond its employees to include their families, fostering a more inclusive approach to employee wellness. We have also received the Great Place to Work badge in 2023 as well as India's best workplaces in "Health and Wellness 2023" by GPTW.

Family Connect Session: Senco extends its care beyond its employees, believing in equally taking care of their families. During the pandemic, Senco introduced parental coverage in Medclaim, addressing the need of the hour. To foster happiness during the challenging times of the pandemic, Senco conducted a parent engagement program named "Bachpan Ke Din Yaad Aayein," which saw exceptionally high participation and was thoroughly enjoyed by all. Additionally, Senco ensured that every household had a vapor machine, that employees were fully vaccinated, and provided real-time support for any family emergencies.

Gifts: Senco introduced marriage and newborn gift policies and educational scholarships for employees' children.

Principle

4

Businesses should respect the interests of and be responsive to all their stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual, group of individuals, or institution that adds value to the company's business chain is identified as a stakeholder. This includes, inter alia, communities, employees and workers, shareholders and lenders, investors (Other than shareholders), customers, suppliers and contractors, Government and regulatory authorities, and others.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as a vulnerable & marginalised group (Yes/ No) | Channels of communication (E-mails, SMS, Newspapers, Pamphlets, advertisements, Community Meetings, Notice Board, Website, Others) | Frequency of engagement (Annually, Half-yearly, Quarterly/ Others- please specify) | Purpose and scope of engagement, including key topics and concerns raised during such engagement |
|-------------------------------------|---|---|--|--|
| Shareholders & Investors | No | Investor's conferences/meets, stock exchange (SE) intimations, investor/ analysts meetings, conference calls, media releases, e-mail, Government portal, annual reports, etc. | Quarterly, half-yearly, and annually | To enhance the Investors' relationship |
| Employees and workers | No | Employee sentimental analysis, Gallup Survey, Employee Connect Session, E-mails, Group SMS, Employee HRMS portal, etc. | Annually, Half-yearly, Quarterly, and Weekly | To keep employees updated, address their concerns, and ascertain their engagement score. |
| Customers | No | Website, SMS, e-mail, Brochures, event, etc | On periodical basis | To understand consumer behaviours and feedback and resolve their grievances. |
| Suppliers & contractors | No | Meetings, calls, training, workshops, website, social media | On periodical basis | Queries/suggestions/ assurance/ complaints etc. |
| Government & regulatory authorities | No | Website, Stock Exchange (SE) intimations, social media, Annual reports, etc. | On periodical basis | Queries/monitoring the governance structure of the company. |

Leadership Indicators

Senco Gold Limited is committed to fostering strong, transparent relationships with key stakeholder groups. The company has established robust processes for identifying key stakeholder groups, recognising that any individual or institution adding value to the business chain is considered a stakeholder. These stakeholder groups include communities, employees, shareholders and lenders, investors (other than shareholders), customers, suppliers and contractors, Government and regulatory authorities, and others.

Moreover, Senco Gold Limited actively engages with each stakeholder group through various communication channels, such as investor conferences/meets, stock exchange intimations, employee sentimental analysis, Gallup surveys, customer feedback via the website, and interactions with suppliers and contractors through meetings and workshops. The frequency of engagement varies based on the stakeholder group, with some engagements occurring quarterly, half-yearly, annually, and on a periodic basis. The purpose and scope of engagement include enhancing investor relationships, addressing employee concerns, understanding consumer behaviours and feedback, ensuring compliance with government regulations, and monitoring the company's governance structure.

Principle

5

Businesses should respect and promote human rights.

Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy (ies) of the entity in the following format:

| Category | FY 2023-24 | | | FY 2022-23 | | |
|------------------------|-------------|--------------------------------------|------------|-------------|--------------------------------------|------------|
| | Total (A) | No. of employees/workers covered (B) | % (B / A) | Total (C) | No. of employees/workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 2247 | 1617 | 72% | 2139 | 1542 | 72% |
| Other than permanent | 119 | 119 | 100% | 119 | 119 | 100% |
| Total Employees | 2366 | 1736 | 73% | 2258 | 1661 | 74% |
| Workers | | | | | | |
| Permanent | 98 | 79 | 81% | 87 | 59 | 68% |
| Other than permanent | 1 | 1 | 100% | 1 | 1 | 100% |
| Total Workers | 99 | 80 | 81% | 88 | 60 | 68% |

- Details of minimum wages paid to employees and workers in the following format

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|----------------------|------------|-----------------------|-----------|------------------------|-----------|------------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 2247 | | | 2247 | 100% | 2052 | | | 2052 | 100% |
| Male | 1425 | - | - | 1425 | 100% | 1279 | - | - | 1279 | 100% |
| Female | 822 | - | - | 822 | 100% | 773 | - | - | 773 | 100% |
| Other Than Permanent | 119 | | | 119 | 100% | 119 | | | 119 | 100 |
| Male | 49 | - | - | 49 | 100% | 46 | - | - | 46 | 100% |
| Female | 70 | - | - | 70 | 100% | 73 | - | - | 73 | 100% |

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|----------------------|------------|-----------------------|-----------|------------------------|-----------|------------|-----------------------|---------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Workers | | | | | | | | | | |
| Permanent | 98 | - | - | 98 | 100% | 88 | - | - | 88 | 100% |
| Male | 96 | - | - | 96 | 100% | 87 | - | - | 87 | 100% |
| Female | 2 | - | - | 2 | 100% | 1 | - | - | 1 | 100% |
| Other Than Permanent | 1 | | | 1 | 100% | - | - | - | - | - |
| Male | 1 | - | - | 1 | 100% | - | - | - | - | - |
| Female | Nil | - | - | Nil | Nil | - | - | - | - | - |

3. Details of remuneration/ Salary/ wages, in the following format:

a. Median remuneration/ salary/ wages

| Particulars | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of the respective category | Number | Median remuneration/ salary/ wages of the respective category |
| Board of Directors (BOD) | 1 | 21898800 | 2 | 7524000 |
| Key Managerial Personnel | 2 | 4795964 | 0 | - |
| Employees other than BoD and KMP | 1624 | 229811 | 961 | 213840 |
| Workers | 97 | 303600 | 2 | 348840 |

Senco Gold Limited is committed to gender equality in remuneration, as evidenced by the median remuneration/salary/wages for male and female employees. In FY 2023-24, the median remuneration for male employees was Rs. 229811; for female employees, it was Rs. 213840. This reflects the company's efforts to ensure parity and fairness in compensation.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 24 (Current financial year) | FY 23 (Previous financial year) |
|---|-----------------------------------|------------------------------------|
| Gross wages paid to females as % of total wages | 31% | 30% |

Senco Gold Limited demonstrates its commitment to gender equality by ensuring that gross wages paid to females represent a significant portion of the total wages paid by the entity. In FY 24, females received 31% of the total wages. This indicates the company's proactive efforts to maintain equitable pay structures and promote gender diversity and inclusion.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

Yes, Senco Gold Limited has established a dedicated focal point responsible for addressing human rights impacts or issues within the organisation. The presence of a Company Secretary and Chief Human Resources Officer (CHRO) as focal points ensures that human rights concerns are effectively managed, demonstrating the company's commitment to upholding ethical and responsible business practices.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Senco Gold Limited has implemented robust internal mechanisms to address human rights grievances promptly and effectively. Through policies such as the Prevention of Sexual Harassment (POSH) Policy and Whistle Blower Policy, the company ensures that employees have clear channels for raising concerns and that grievances are addressed in a fair and transparent manner.

6. Number of Complaints on the following made by employees and workers

| | FY 2023-24 | | | FY 2022-23 | | |
|-----------------------------------|-----------------------|---|---------|-----------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual Harassment | 0 | 0 | - | 1 | 0 | - |
| Discrimination at workplace | 0 | 0 | - | 0 | 0 | - |
| Child Labour | 0 | 0 | - | 0 | 0 | - |
| Forced Labour/ Involuntary Labour | 0 | 0 | - | 0 | 0 | - |
| Wages | 0 | 0 | - | 0 | 0 | - |
| Other Human rights related Issues | 0 | 0 | - | 0 | 0 | - |

Senco Gold Limited demonstrates a commitment to transparency and accountability by monitoring and addressing complaints related to human rights issues. In FY 2023-24, there were no complaints filed regarding sexual harassment, discrimination, child labour, forced/involuntary labour, or wages, indicating the effectiveness of the company's policies and practices in maintaining a respectful and ethical workplace environment.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 24 (Current financial year) | FY 23 (Previous financial year) |
|--|-----------------------------------|------------------------------------|
| Total Complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil | 01 |
| Complaints on POSH as a % of female employees/workers | - | 0.001% |
| Complaints on POSH upheld | - | 01 |

Senco Gold Limited is dedicated to providing a safe and harassment-free workplace environment for its female employees, as demonstrated by the low number of complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013. In FY 24, no complaints were reported, indicating the effectiveness of the company's preventive measures and commitment to promoting a culture of respect and dignity.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Senco Gold Limited is committed to maintaining a supportive environment for individuals who report discrimination and harassment. The company has implemented mechanisms to prevent adverse consequences for complainants, ensuring that all complaints can be made without fear of reprisal. Strict disciplinary action is taken against any employee found to have retaliated against individuals who report discrimination or harassment, demonstrating the company's zero-tolerance policy towards retaliation.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Senco Gold Limited incorporates human rights requirements into its business agreements and contracts, reflecting the company's commitment to upholding ethical standards and promoting human rights within its operations and across its business relationships.

10. Assessment for the year:

| Particulars | % of the company's plants and offices that were assessed (by the company or statutory authorities or third parties) |
|-----------------------------|---|
| Child Labour | 0% |
| Forced/ Involuntary Labour | |
| Sexual Harassment | |
| Discrimination at workplace | |
| Wages | |
| Other issues | |

Senco Gold Limited conducts regular reviews to identify and address human rights risks and concerns within its operations. In the current financial year, the company assessed 0% of its plants and offices for issues related to child labour, forced/involuntary labour, sexual harassment, discrimination, wages, and other human rights issues, reflecting the company's proactive approach to managing human rights risks.

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Not Applicable

Senco Gold Limited demonstrates a commitment to addressing significant human rights risks and concerns identified through assessments by taking timely corrective actions. As indicated by the response, no corrective actions were taken or underway in the current financial year, suggesting that the company's existing policies and practices effectively mitigate human rights risks.

Leadership Indicators

Senco Gold Limited is dedicated to upholding ethical and responsible business practices, as demonstrated by its proactive approach to human rights issues. The company ensures that all employees and workers receive training on human rights issues and policies, with a significant increase in coverage observed from FY 2022-23 to FY 2023-24. Moreover, Senco Gold Limited maintains a gender-inclusive workplace by implementing policies to ensure fair remuneration, with a focus on gender equality in median remuneration and a substantial proportion of wages allocated to female employees.

Furthermore, the company has established robust internal mechanisms to address human rights grievances promptly and transparently, which is evident from the low number of complaints filed related to sexual harassment, discrimination, and other human rights issues. Senco Gold Limited's commitment to providing a safe and harassment-free workplace is further underscored by the absence of complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, in the current financial year. These initiatives reflect the company's dedication to fostering an inclusive and respectful work environment where human rights are prioritised and upheld.

Principle

6

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity in the following format

| Parameter | FY 2023-24 | FY 2022-23 |
|---|----------------------|----------------------|
| From renewable sources | | |
| Total electricity consumption (A) | - | - |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| Total energy consumption from renewable sources (A+B+C) | - | - |
| From non-renewable sources | | |
| Total electricity consumption (D) | 32,585.45 GJ approx | 24,978.13 GJ approx. |
| Total fuel consumption (E) | | |
| CNG | 16.08 GJ | 13.4 GJ |
| Diesel | 796.73 GJ | 811.17 GJ |
| Petrol | 997.25 GJ | 1005.8 GJ |
| Energy consumption through other sources (F) | - | - |
| Total energy consumption from non-renewable sources (A+B+C) | - | - |
| Total energy consumed (A+B+C+D+E+F) | 34,395.51 | 26,808.50 |
| Energy intensity per rupee of turnover*. (Total energy consumption/ million turnover in rupees) | 0.659 GJ/million INR | 0.659 GJ/million INR |

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Energy intensity per rupee of turnover adjusted to Purchasing Power Parity (PPP) | - | - |
| Energy Intensity in terms of physical output | - | - |
| Energy intensity (optional)– the relevant metric may be selected by the entity. | - | - |

*Turnover: INR 52199.10 Mn (FY 2023-24) & INR 40679.08 Mn (FY 2022-23)

A separate General Ledger (GL) code will be created in our ERP system to accurately track fuel consumption, ensuring comprehensive and detailed monitoring of our energy usage and expenditure.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency. No

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve, and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|--------------------------------|--------------------------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | | |
| (ii) Groundwater | 1560 | 1252 |
| (iii) Third-party water | 745 | 555 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (In kilolitres) (i + ii + iii + iv + v) | 2305 | 1807 |
| Total volume of water consumption (In kilolitres)* | 2305 | 1807 |
| Water intensity per rupee of turnover** (Water consumed/million turnover) | 0.0442 kiloliters/million INR. | 0.0444 kiloliters/million INR. |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Water consumption/revenue from operations adjusted for PPP) | - | - |
| Water intensity in terms of physical output | - | - |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |

*Water consumption is at a gross level, without adjusting water recycled and reused in dust suppression and horticulture.

**Turnover: INR 52199.10 Mn (FY 2023-24) & INR 40679.08 Mn (FY 2022-23)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency (Y/N) If yes, name of the external agency. No.

4. Provide the following details related to water discharged: Not Applicable.

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify the level of treatment | - | - |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify the level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment - | - | - |
| - With treatment – please specify the level of treatment | - | - |

| Parameter | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| (iv) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify the level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify the level of treatment | - | - |
| Total water discharged (in kilolitres) | - | - |

Our company's manufacturing unit is responsible for producing only 5% of the jewellery products, with the majority crafted by individual skilled artisans, known as "Karigars." Operating primarily in the retail sector, our operations do not generate significant wastewater. Water usage is primarily allocated for non-industrial purposes such as sanitation, cleaning, and related activities, resulting in minimal wastewater output. Looking ahead, we are dedicated to implementing processes to monitor, manage, and treat the minimal wastewater generated, aligning with our commitment to environmental stewardship and sustainability.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency. **No**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. No

Our company's manufacturing unit produces only 5% of the jewellery products, with the majority crafted by individual skilled artisans known as "Karigars." We primarily operate in retail, and our operations do not generate significant wastewater. Water usage is primarily for non-industrial purposes such as sanitation, cleaning, and related activities, resulting in minimal wastewater output. Therefore, the amount of wastewater generated does not necessitate the implementation of a Zero Liquid Discharge System.

6. Please provide details of air emissions (other than GHG emissions) by the entity in the following format: Not Applicable.

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|-------------------------------------|---------------------|------------|------------|
| NOx | - | - | - |
| Sox | - | - | - |
| Particulate matter (PM) | - | - | - |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others – please specify | - | - | - |

Senco Gold Limited is dedicated to establishing a safe workplace and promoting environmental sustainability. To this end, air scrubbers have been strategically installed within our jewellery manufacturing facilities to meticulously purify exhaust gases before they are released into the environment. Specifically, we employ PP FRP scrubbers constructed from a combination of polypropylene (PP) and fiber-reinforced plastic (FRP). This combination of materials ensures the scrubbers are both highly durable and possess excellent filtration capabilities.

These PP FRP scrubbers are highly efficient and capable of capturing over 90% of airborne pollutants, including particles, acidic gases, and other contaminants. By incorporating this advanced air pollution control technology, Senco Gold Limited significantly reduces the environmental impact of its manufacturing processes, demonstrating our commitment to sustainable and responsible business practices.

Senco Gold Limited is deeply committed to fostering a safe workplace environment and championing environmental sustainability. We have strategically installed air scrubbers within our jewellery manufacturing facilities to uphold these values. These advanced systems meticulously purify exhaust gases, ensuring that emissions released into the environment meet the highest purity standards.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, name of the external agency. **No**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

| Parameter | Please specify unit | FY 2023-24 | FY 2022-23 |
|--|---|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ Equivalent | - | - |
| Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | Metric tonnes of CO ₂ Equivalent | - | - |
| Total Scope 1 and Scope 2 emissions per rupee of Turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | - | - | - |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/revenue from operations adjusted for PPP) | - | - | - |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | - | - | - |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | - | - | - |

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. (Y/N) If yes, the name of the external agency. **No**

8. Does the entity have any project related to reducing Green House Gas emissions? If yes, then provide details.

Conservation of Energy: The disclosure of particulars with respect to the conservation of energy pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, forms part of the Directors' Report of the Company. The company is making its best efforts to conserve energy. The company has taken a drive to convert all lighting resources in the showrooms to LED devices in due course.

Adoption of CNG Fuel in Manufacturing: Senco Gold Limited has integrated the use of Compressed Natural Gas (CNG) fuel in its jewellery-making unit. CNG, being a cleaner alternative to conventional fossil fuels, helps in reducing emissions of harmful pollutants and greenhouse gases. This initiative reflects our commitment to minimizing environmental impact and promoting sustainable practices in our manufacturing processes.

9. Provide details related to waste management by the entity in the following format:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|--|--|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 0.078 | 0.090 |
| E-waste (B) | 0.28 | 0.93 |
| Bio-medical waste (C) | - | - |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | - | - |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | 0.258 | 0.300 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition, i.e., by materials relevant to the sector) | 0.800 | 0.600 |
| Total (A+B + C + D + E + F + G + H) | 1.416 | 1.920 |
| Waste intensity per rupee of turnover* (Total waste generated / million turnover) | 0.0000271 metric tonnes per million INR. | 0.0000472 metric tonnes per million INR. |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) | - | - |
| Waste intensity in terms of physical output | - | - |

| Parameter | FY 2023-24 | FY 2022-23 |
|---|------------|------------|
| Waste intensity (optional) – the relevant metric may be selected by the entity | - | - |
| For each category of waste generated, total waste recovered through recycling, reusing, or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 0 | 0 |
| (ii) Reused | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| Total | | |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 0 | 0 |
| (ii) Landfilling | 0 | 0 |
| (iii) Other disposal operations | 0 | 0 |
| Total | 0 | 0 |

*Turnover: INR 52199.10 Mn (FY 2023-24) & INR 40679.08 Mn (FY 2022-23)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency. **No**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste Management Practices: Adequate measures are taken to procure and use safe materials for operations. Pre-determined places are identified for appropriately storing, segregating, and disposing of hazardous and non-hazardous wastes, following regulatory and legal requirements. Wherever possible, waste is recycled and reused accordingly.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

| Sl. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|-----|--------------------------------|--------------------|---|
| NIL | | | |

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws in the current financial year:

In the current financial year, the entity did not undertake any projects that required environmental impact assessments based on applicable laws

| Name and brief details of the project | EIA Notification No. | Date | Whether conducted by an independent external agency (Yes / No) | Results communicated in the public domain (Yes / No) | Relevant Web-link |
|---------------------------------------|----------------------|------|--|--|-------------------|
| NIL | | | | | |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and Rules thereunder (Y/N)? If not, provide details of all such non-compliances in the following format:

The entity fully complies with the applicable environmental laws, regulations, and guidelines in India, including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and Rules.

| Sl. | Specify the law/ regulation guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies, such as pollution control boards or by courts | Corrective action taken, if any |
|-----|--|---------------------------------------|--|---------------------------------|
| NIL | | | | |

Leadership Indicators

Conservation of Energy: The disclosure of particulars with respect to the conservation of energy pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, forms part of the Directors' Report of the Company. The company is making its best efforts to conserve energy. The company has taken a drive to convert all lighting resources in the showrooms to LED devices in due course.

Environmental Stewardship:

1. Green Flame - Installation of improved Chula for reducing pollution & woman empowerment at Mayachar Village, Mahisadal Block, East Medinipur District, near Rupnarayan River, West Bengal.
2. Swarna Sundari Sangrashan (Mangrove Plantation) - Plantation of Sundari trees in the Sundarbans

CSR policy highlighting environmental protection: Senco Gold Limited has a clearly defined environmental sustainability component in its Corporate Social Responsibility Policy. This policy recommends undertaking CSR activities to ensure environmental sustainability and ecological balance. It includes the protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water. Additionally, the policy supports contributions to the Clean Ganga Fund established by the Central Government for the rejuvenation of the river Ganga.

Principle

7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. The number of affiliations with trade and industry chambers/ associations. **06 (Six)**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| Sl. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National/International) |
|-----|--|---|
| 1 | Responsible Jewellery Council | International |
| 2 | The Gem & Jewellery Export Promotion Council (GJEPC) | National |
| 3 | Indian Chamber of Commerce | National |
| 4 | Bengal Chamber of Commerce and Industry | State |
| 5 | The Associated Chambers of Commerce & Industry of India (ASSOCHAM) | National |
| 6 | The Indo-American Chamber of Commerce | International |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity based on adverse orders from regulatory authorities.

| Name of Authority | Brief of the case | Corrective action taken |
|-------------------|-------------------|-------------------------|
| | NIL | |

Leadership Indicators

Senco Gold demonstrates leadership in responsible and transparent public and regulatory policy engagement by actively participating in reputable trade and industry chambers/associations. With affiliations to six prominent bodies, including international and national organisations such as the Responsible Jewellery Council, The Gem & Jewellery Export Promotion Council (GJEPC), and The Indo-American Chamber of Commerce, Senco Gold ensures its voice is heard at various levels—locally, nationally, and internationally. By engaging with these influential entities, Senco Gold contributes to the development of policies and ensures that its operations align with the highest standards of responsibility and transparency.

Moreover, Senco Gold's commitment to ethical business practices is evident in its proactive approach to addressing anti-competitive conduct. Despite no adverse orders from regulatory authorities, Senco Gold remains vigilant and prepared to take corrective action should such issues arise. This proactive stance underscores the company's dedication to maintaining fair and ethical business practices, contributing to a more transparent and responsible business environment.

Principle

8

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws in the current financial year.

| Name and brief details of the project | SIA Notification No. | Date of notification | Whether conducted by an independent external agency (Yes / No) | Results communicated in the public domain (Yes / No) | Relevant Weblink |
|---|----------------------|----------------------|--|--|---|
| Shivsway (Shaankar Sen Institute of Vocation Training For Women & Youth)-Short Term Programme on Retail Sales Orientation for economically weaker students to make them prepare for a Retail Sales Career. | NA | NA | NA | Yes | https://sencogoldanddiamonds.com/csr |
| Project-Kishalaya-support to underprivileged areas (Rural areas) in pre-primary education in different districts through infrastructure support, providing educational support, providing power break fast to the children. | NA | NA | NA | yes | https://sencogoldanddiamonds.com/csr |
| Project-Green Flame- Creating Less polluting domestic kitchens in rural homes by installing energy-efficient smokeless chullahs in underprivileged rural areas. | NA | NA | NA | Yes | https://sencogoldanddiamonds.com/csr |
| Project -Swarna Sundari- Mangrove plantation, to start with 20000 saplings, at a specific area at Sundarban area, North 24 Parganas, West Bengal | NA | NA | NA | Yes | https://sencogoldanddiamonds.com/csr |

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

| Sl. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (in INR) |
|-----|--|-------|----------|---|--------------------------|---|
| NA | | | | | | |

3. Describe the mechanism to receive and redress grievances of the community.

At Senco Gold, we are committed to fostering strong, positive relationships with the communities we serve. We understand the importance of addressing community concerns promptly and effectively. To this end, we have established a robust grievance redressal mechanism designed to ensure that all grievances from the community are handled with the utmost care and professionalism.

Dedicated Professional Team: Our dedicated professional team is committed to resolving grievances promptly and efficiently. This team comprises experienced professionals who are trained to handle a wide range of issues, ensuring that every concern is addressed comprehensively.

Multiple Channels for Communication: We offer multiple channels for the community to reach out to us with their grievances:

- ◆ **Phone:** Our support team is available via a dedicated phone line to provide immediate assistance and address any concerns.
- ◆ **E-mail:** Community members can also contact us through a dedicated e-mail address, ensuring that written grievances are documented and responded to promptly.
- ◆ **Online Grievance Portal:** To make the grievance redressal process more accessible, we have an online grievance portal on our website. This portal allows community members to submit their grievances electronically, track the status of their complaints, and receive timely updates.

Community Outreach Programs: Senco Gold's CSR initiatives have taken up projects that engage directly with community members. We have tried to reach the community through our humble educational & health care support to underprivileged society and short-term orientational & vocational programs for graduates & undergraduates. These programs provide a platform for the community to voice their concerns and have created a positive impact on the community.

Transparent Process: Our grievance redressal process is designed to be transparent and accountable. Each grievance is assigned a unique tracking number, and community members are kept informed about the progress and resolution of their complaints.

Regular Monitoring and Reporting: We regularly monitor the grievance redressal process to ensure its effectiveness. Monthly reports are generated to track the nature and number of grievances received, resolution timelines, and overall satisfaction levels of the community.

Continuous Improvement: Feedback from the community is invaluable to us. We use this feedback to continuously improve our grievance redressal mechanisms, ensuring our processes remain responsive and relevant to the community's needs.

At Senco Gold, we remain steadfast in our commitment to exceptional service and community welfare. By addressing grievances effectively and efficiently, we aim to build a trusting and supportive relationship with the communities we serve.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

| | FY 2023-24 | FY 2022-23 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 19% | 11% |
| Directly from within India | 99.36% | 100% |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations as % of total wage cost.

| Location | FY 2023-24 | FY 2022-23 |
|--------------|------------|------------|
| Rural | 0.87% | 0.97% |
| Semi-urban | 8.68% | 7.71% |
| Urban | 22.27% | 23.78% |
| Metropolitan | 68.18% | 67.54% |

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban/metropolitan)

Leadership Indicators

At Senco Gold, we demonstrate our commitment to inclusive growth and equitable development through a robust community grievance redressal mechanism. Our dedicated professional team is trained to handle a wide range of community issues, ensuring thorough and empathetic responses to grievances. We provide multiple communication channels, including phone, e-mail, and an online grievance portal, allowing community members to easily submit and track their concerns. Our regular community outreach programs also facilitate direct engagement, offering immediate resolutions to issues raised.

We emphasise transparency and accountability by assigning unique identification numbers to each grievance and keeping the community informed throughout the resolution process. Continuous monitoring and monthly reporting ensure the effectiveness of our grievance handling, and we actively use community feedback to improve our processes. Through these initiatives, Senco Gold fosters a culture of trust and mutual respect, highlighting our leadership in promoting inclusive growth and equitable development.

Principle

9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

At Senco, we prioritize the satisfaction and well-being of our valued customers. To ensure they have a seamless and positive experience, we offer multiple channels for providing feedback and registering complaints. Customers can reach out to us via email or phone, providing convenient and accessible ways to communicate their concerns or suggestions.

Our dedicated team of professional customer care representatives is always ready to assist with any queries or issues. Trained to handle a wide range of concerns, our representatives ensure that every customer receives prompt and effective support. We believe that addressing customer feedback is not just about solving problems but also about building lasting relationships based on trust and transparency.

Customer feedback is a cornerstone of our commitment to excellence. We highly value the insights and opinions shared by our customers and use this feedback to continuously enhance our services. By listening to our customers and understanding their needs, we strive to create better experiences and exceed their expectations.

In line with our dedication to continuous improvement, we regularly review and refine our processes based on the feedback we receive. This proactive approach allows us to identify areas for enhancement and implement effective solutions, ensuring that we consistently deliver high-quality service. At Senco, we are committed to creating a customer-centric environment where every voice is heard and valued. By fostering open communication and being responsive to our customers' needs, we aim to maintain the highest standards of service excellence.

For more information, please visit [Contact Us](#).

2. Turnover of products and/ services as a percentage of turnover from all products/services that carry information about:

| | As a percentage of total turnover |
|---|--|
| Environmental and social parameters relevant to the product | 0% (NA) |
| Safe and responsible usage | 100% (Bureau of International Standards) |
| Recycling and/or safe disposal | 0% |

3. Number of consumer complaints in respect of the following

| | FY 2023-24 | | | FY 2022-23 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | 0 | NA | 0 | 0 | NA |
| Advertising | 0 | 0 | NA | 0 | 0 | NA |
| Cyber- security | 0 | 0 | NA | 0 | 0 | NA |
| Delivery of essential services | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Unfair Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Other (product related) | 405 | 4 | NA | 129 | 0 | NA |

4. Details of instances of product recall on account of safety issues: Not Applicable

| | Number | Reasons for Recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil | NA |
| Forced recalls | Nil | NA |

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, Provide a web-link of the policy.

The organisation has established a system and guidelines regarding cybersecurity and data privacy issues. Various measures are implemented to manage risks associated with cyber security, including the application of cyber security policies and procedures, the utilisation of security defense tools, continuous monitoring of threats, and the capacity to detect events. We also have response strategies for incidents and routinely run drills to evaluate our recovery skills and response tactics to cyber-attacks. Our cyber security education and awareness initiative provides training to our staff on subjects like phishing and the proper classification and handling of our data. Our Privacy Policy, available on our website, outlines our privacy compliance framework. Policy document link - <https://sencogoldanddiamonds.com/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls, and penalty/ action taken by regulatory authorities on the safety of products/services.

Not Applicable

7. Provide the following information relating to data breaches:

- Number of instances of data breaches – NIL
- Percentage of data breaches involving personally identifiable information of customers – NA
- Impact, if any, of the data breaches – NA

Leadership Indicators

At Senco Gold, we exemplify our commitment to delivering exceptional customer value and maintaining the highest quality standards through our comprehensive consumer grievance redressal and feedback mechanisms. Our dedicated customer care team is readily accessible via multiple channels, including phone and e-mail, ensuring that every customer concern is addressed promptly and effectively. We prioritise customer feedback, continuously refining our services based on the insights received. This commitment is further highlighted by our adherence to the Bureau of International Standards for safe and responsible product usage, ensuring that 100% of our turnover comes from products that meet these rigorous standards.

Moreover, our robust framework for managing cybersecurity and data privacy risks underscores our dedication to protecting customer information. By implementing advanced security measures, continuous threat monitoring, and regular staff training, we maintain a resilient defense against cyber threats. Our transparent privacy policy, available on our website, outlines our comprehensive approach to data privacy. These initiatives and our zero instances of product recall and data breaches reflect our unwavering focus on quality, safety, and customer satisfaction, positioning Senco Gold as a leader in upholding the highest standards of customer value and product excellence.

Independent Auditor’s Report

To
The Members of
Senco Gold Limited

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of Senco Gold Limited (‘the Company’), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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 Matter

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

- We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Existence and valuation of inventories</p> <p>The carrying value of the inventory is Rs. 24,367.68 million as at 31 March 2024 as disclosed in note 14 of the accompanying standalone financial statements. Refer note 3.10 for the corresponding accounting policy adopted by the management with respect to the valuation of inventories.</p> <p>The Company’s inventories primarily comprises of jewellery of gold, diamonds, silver etc. The Company values inventories at lower of cost and net realisable value as per Ind AS 2, Inventory.</p> <p>Inventory is held at various locations across the country and with third-party job workers. With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.</p> <p>The physical verification of inventory is performed by the management on a regular basis with the help of their appointed professional gemologists.</p> <p>With respect to valuation of the inventory, the Company categorises the diamonds purchased based on its physical characteristics which are certified by professional gemologists.</p> | <p>Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:</p> <ul style="list-style-type: none"> ◆ Obtained an understanding of the management’s process for inventory management and inventory physical verification, recognition and measurement of purchase cost of gold, diamonds and cost of manufactured jewellery items. ◆ Evaluated the design and tested the operating effectiveness of key controls implemented by the Company with respect to such process including controls around safeguarding the high value inventory items. ◆ Obtained the records of physical verification and inventory reconciliation performed by the management as at the year end. ◆ For a sample of locations at which inventory was held as at 31 March 2024, we performed the following procedures: <ol style="list-style-type: none"> a) Attended physical verification of stocks conducted by the Company at / closer to the year end at selected locations. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as a key audit matter for the current year audit.</p> | <ul style="list-style-type: none"> b) Tested and agreed the inventory as per physical verification with the book records, including roll back procedures wherever required. c) Verified the purity (caratage) of the jewellery and performed testing of the calibration certificate of the karat meter used for such verification. d) On sample basis, performed independent test counts to corroborate management counts and valuation based on management categorization with the help of a certified gemologist. <ul style="list-style-type: none"> ◆ Performed surprise inventory counts at select locations on sample basis. ◆ For samples selected using statistical sampling, we have obtained independent confirmations of inventories held by third parties/job workers. ◆ Assessed the appropriateness of accounting policy and inventory valuation methodology adopted by the management. ◆ Evaluated the professional competence and objectivity of the gemologist used by the management. ◆ On a sample basis, tested invoices and other underlying records to validate the costs and characteristics basis which the diamond jewellery inventory is categorized for inventory valuation, and for such samples selected, recomputed diamond valuation basis annual weighted average method. ◆ On a sample basis, tested samples of inventory sold before year-end and subsequent to year-end to corroborate management's assessment of net realisable value of closing inventory balance. ◆ On a sample basis, verified submissions relating to quantity of inventory made by the Company to banks and obtained the reconciliation of the same with the books of accounts. ◆ Evaluated the appropriateness and adequacy of disclosures made in the financial statements in accordance with applicable accounting standards. |

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial

statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

8. 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.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. 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 Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - ◆ Obtain an understanding of internal 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 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
 - ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
 13. 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.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- ### Report on Other Legal and Regulatory Requirements
15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3) (b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 45 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
 - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(v) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the 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
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The interim dividend declared and paid by the Company during the year ended 31 March 2024 and until the date of this audit report is in compliance with section 123 of the Act
- As stated in note 39 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend;

- vi. As stated in note 53 to the standalone financial statements and based on our examination which included test checks, except for the instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:

| Nature of exception noted | Details of exception |
|---|--|
| Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature. | The accounting software used for maintenance of books of accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year. |

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 24058644BKFUIFI3908
Place: Kolkata
Date: 23 May 2024

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, 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 assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 5 to the standalone financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

| Description of property | Gross carrying value (Rs. in millions) | Held in name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of the Company |
|-------------------------|--|----------------------------------|--|-----------------------------------|--|
| Building | 6.94 | Senco Gold Impex Private Limited | No | Since 14 March 2007 till date. | Refer note (i) |
| Building | 16.57 | Senco Gold Private Limited | No | Since 06 December 2006 till date. | Refer note (ii) |

Note (i): Transferred as a result of merger of the said entity into the Company.

Note (ii): This property is held in the erstwhile name of the Company.

- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) As disclosed in note 52 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, except for the following:

(Rs. in millions)

| Name of the Bank | Working capital limit sanctioned | Nature of current assets offered as security | Quarter | Information disclosed as per return | Information as per books of accounts | Difference |
|---|----------------------------------|--|----------------------|-------------------------------------|--------------------------------------|------------|
| Indian bank (erstwhile Allahabad Bank) and consortiums of other banks | 13,750.00 | Trade receivables | 31 March 2024 (*) | 653.00 | 644.38 | 8.62 |
| | | Inventories | | 24,355.00 | 24,367.68 | (12.68) |
| | 12,810.00 | Trade receivables | 31 December 2023 (#) | 608.40 | 608.41 | (0.01) |
| | | Trade receivables | | 30 September 2023 (#) | 670.14 | 670.10 |
| 11,200.00 | Trade receivables | 30 June 2023 (#) | 554.23 | | 554.20 | 0.03 |
| | Inventories | | 18,203.36 | 18,203.40 | (0.04) | |

(*) As per books of accounts, which were subject to audit

(#) As per books of accounts, which were subject to review

- (iii) (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
- (b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in two entities amounting to Rs. 93.08 millions (year-end balance Rs. 133.08 millions) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/ receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company had granted loan which were repayable on demand and the same has been repaid during the current year. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India ('the RBI'), the provisions of sections 73 to 76 or other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which have been considered as deemed deposit. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or RBI or any Court or any other Tribunal, in this regard.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though income-tax have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (Rs. in millions) | Amount paid under Protest (Rs. in millions) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|--------------------------------|---|------------------------------------|--|
| Income-tax Act, 1961 | Income-tax | 20.08 | - | Assessment Year (AY) 2010-11 | Commissioner of Income Tax (Appeals) |
| Income-tax Act, 1961 | Income-tax | 2.09 | - | AY 2010-11 | Assistant Comisioner of Income Tax |
| Income-tax Act, 1961 | Income-tax | 9.21 | - | AY 2016-17 | Deputy Commissioner of Income Tax (Kolkata 4(1)) |
| Income-tax Act, 1961 | Income-tax | 74.74 | 66.50 | AY 2017-18 | Commissioner of Income Tax (Appeals) |
| Income-tax Act, 1961 | Income-tax | 28.92 | - | AY 2017-18 | Commissioner of Income Tax (Appeals) |
| Income-tax Act, 1961 | Income-tax | 0.51 | - | AY 2019-20 | Commissioner of Income Tax (Appeals) |
| Income-tax Act, 1961 | Income-tax | 0.13 | - | AY 2020-21 | Commissioner of Income Tax (Appeals) |

| Name of the statute | Nature of dues | Gross Amount (Rs. in millions) | Amount paid under Protest (Rs. in millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|--------------------------------|---|---|---|
| Income-tax Act, 1961 | Income-tax | 237.22 | - | AY 2022-23 | Joint Commissioner of Income Tax (Appeal) |
| Income-tax Act, 1961 | Income-tax | 104.65 | - | AY 2023-24 | Deputy Director of Income Tax |
| Finance Act, 1994 | Service Tax | 21.58 | 0.73 | AY 2010-11 to AY 2014-15 | Commissioner (Appeals) Service Tax |
| Central Excise Act, 1944 | Cenvat Credit Disallowed | 18.65 | 0.98 | Financial Year (FY) 2011-12 FY 2012-13 | Central Excise and Service Tax Appellate Tribunal |
| Central Excise Act, 1944 | Cenvat Credit Disallowed | 105.51 | - | FY 2016-17 | Principal Commissioner |
| The Central Goods and Service Tax Act, 2017 | Reversal of Input Tax Credit and short payment of tax | 4.66 | - | FY 2017-18 FY 2018-19 | Commissioner of CGST & Central Excise |
| The Central Goods and Service Tax Act, 2017 | Reversal of Input Tax Credit and short payment of tax | 0.06 | - | FY 2018-19 | Commissioner of CGST & Central Excise |
| The Central Goods and Service Tax Act, 2017 | Reversal of Input Tax Credit and short payment of tax | 0.68 | - | FY 2018-19 | Commissioner of CGST & Central Excise |

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, including confirmations received from banks and financial institution and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have, prima facie, not been utilised for long-term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained.
- (b) 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 made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management 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) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 24058644BKFUIF13908
Place: Kolkata
Date: 23 May 2024

Annexure B Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Senco Gold Limited (the 'Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference

to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UDIN: 24058644BKFUIF13908
Place: Kolkata
Date: 23 May 2024

Balance Sheet as at 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Note | As at 31 March, 2024 | As at 31 March, 2023 |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 5 | 1,128.54 | 822.84 |
| (b) Capital work-in-progress | 6 | 1.35 | 130.64 |
| (c) Right-of-use assets | 7 | 2,382.02 | 1,911.17 |
| (d) Intangible assets | 8 | 26.95 | 22.24 |
| (e) Financial assets | | | |
| (i) Investments in subsidiaries | 9(a) | 133.08 | 40.00 |
| (ii) Investment in others | 9(b) | 1.45 | 1.27 |
| (iii) Other financial assets | 10 | 300.70 | 559.14 |
| (f) Deferred tax assets (net) | 11 | 228.19 | 179.57 |
| (g) Income-tax assets (net) | 12 | 164.34 | 184.84 |
| (h) Other non-current assets | 13 | 41.27 | 190.90 |
| Total non-current assets | | 4,407.89 | 4,042.61 |
| (2) Current assets | | | |
| (a) Inventories | 14 | 24,367.68 | 18,777.73 |
| (b) Financial assets | | | |
| (i) Trade receivables | 15 | 644.38 | 454.39 |
| (ii) Cash and cash equivalents | 16 | 150.35 | 71.43 |
| (iii) Bank balances other than cash and cash equivalents | 17 | 5,322.96 | 4,280.90 |
| (iv) Loans | 18 | - | 28.00 |
| (v) Other financial assets | 10 | 1,545.43 | 719.85 |
| (c) Other current assets | 13 | 711.37 | 653.25 |
| Total current assets | | 32,742.17 | 24,985.55 |
| TOTAL ASSETS | | 37,150.06 | 29,028.16 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 19 | 777.04 | 558.50 |
| (b) Instruments entirely equity in nature | 19 | - | 132.96 |
| (c) Other equity | 20 | 12,993.04 | 8,798.90 |
| Total equity | | 13,770.08 | 9,490.36 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 10.54 | 14.26 |
| (ii) Lease liabilities | 22 | 2,329.85 | 1,884.02 |
| (iii) Other financial liabilities | 23 | 43.44 | 6.09 |
| (b) Provisions | 24 | 26.85 | 5.69 |
| (c) Other non-current liabilities | 25 | 18.93 | 245.19 |
| Total non-current liabilities | | 2,429.61 | 2,155.25 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 14,956.83 | 11,778.44 |
| (ii) Lease liabilities | 22 | 262.95 | 213.51 |
| (iii) Trade payables | 26 | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 182.49 | 197.48 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,779.32 | 1,364.31 |
| (iv) Other financial liabilities | 23 | 657.11 | 504.82 |
| (b) Other current liabilities | 25 | 2,920.01 | 3,148.53 |
| (c) Provisions | 24 | 36.97 | 19.85 |
| (d) Current tax liabilities (net) | 27 | 154.69 | 155.61 |
| Total current liabilities | | 20,950.37 | 17,382.55 |
| Total liabilities | | 23,379.98 | 19,537.80 |
| TOTAL EQUITY AND LIABILITIES | | 37,150.06 | 29,028.16 |

The accompanying notes to the standalone financial statements including a summary of material accounting policies and explanatory information are an integral part of these standalone financial statements.

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

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of

Senco Gold Limited

Suvankar Sen

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

Ranjana Sen

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

Surendra Gupta

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

Statement of Profit and Loss for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Note | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|--|------|------------------------------|------------------------------|
| Income | | | |
| I Revenue from operations | 28 | 52,296.64 | 40,755.64 |
| II Other income | 29 | 427.59 | 317.01 |
| III Total income (I + II) | | 52,724.23 | 41,072.65 |
| IV Expenses | | | |
| Cost of materials consumed | 30 | 39,178.59 | 29,196.54 |
| Purchases of stock-in-trade | 31 | 9,646.96 | 8,932.31 |
| Changes in inventories of finished goods and stock-in-trade | 32 | (4,565.75) | (3,911.26) |
| Employee benefits expense | 33 | 1,083.93 | 915.15 |
| Finance costs | 34 | 1,077.98 | 860.53 |
| Depreciation and amortisation expenses | 35 | 590.08 | 449.49 |
| Other expenses | 36 | 3,139.31 | 2,444.03 |
| Total expenses (IV) | | 50,151.10 | 38,886.79 |
| V Profit before tax for the year (III - IV) | | 2,573.13 | 2,185.86 |
| VI Tax expenses | | | |
| Current tax: | 37 | | |
| - Current year | | 728.02 | 634.74 |
| - Pertaining to earlier year(s) | | - | (21.38) |
| Deferred tax credit | | (42.39) | (36.63) |
| Total tax expenses (VI) | | 685.63 | 576.73 |
| VII Profit after tax for the year (V - VI) | | 1,887.50 | 1,609.13 |
| VIII Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss: | | | |
| (a) Remeasurement of defined benefit plans | | (24.96) | (7.03) |
| - Income-tax relating to above item | | 6.28 | 1.77 |
| (b) Gain on fair valuation of equity shares | | 0.18 | 1.01 |
| - Income-tax relating to above item | | (0.05) | (0.25) |
| Other comprehensive income for the year (VIII) | | (18.55) | (4.50) |
| IX Total comprehensive income for the year (VII + VIII) | | 1,868.95 | 1,604.63 |
| X Earnings per equity share (Nominal value per share Rs. 10 each) | | | |
| (a) Basic (Rs.) | 38 | 25.09 | 23.29 |
| (b) Diluted (Rs.) | 38 | 25.01 | 23.23 |

The accompanying notes to the standalone financial statements including a summary of material accounting policies and explanatory information are an integral part of these standalone financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of

Senco Gold Limited

Rajni Mundra

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

Suvankar Sen

Managing Director
and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

Ranjana Sen

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

Surendra Gupta

Company Secretary
and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

Statement of Cash Flow for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|------------------------------|------------------------------|
| A Cash flows from operating activities | | |
| Profit before tax | 2,573.13 | 2,185.86 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 590.08 | 449.49 |
| Assets written off | - | 3.54 |
| Finance costs | 1,077.98 | 860.53 |
| Share based payment expense | 6.16 | 3.51 |
| Unrealised foreign exchange gain | (5.95) | (2.71) |
| Liabilities no longer required, written back | (45.17) | (18.35) |
| Unwinding of interest on security deposits paid | (15.91) | (12.27) |
| Gain on lease modification | (17.03) | (13.05) |
| Allowance for expected credit loss | - | 2.45 |
| Bad debts written off | - | 1.00 |
| Security deposits written off | - | 12.11 |
| Interest income | (249.76) | (154.70) |
| Operating profit before working capital changes | 3,913.53 | 3,317.41 |
| (Increase) / decrease in assets: | | |
| Inventories | (5,589.95) | (4,891.10) |
| Trade receivables | (184.04) | (58.76) |
| Other financial assets | (547.80) | (290.71) |
| Other assets | (63.87) | (330.82) |
| Increase / (decrease) in liabilities: | | |
| Trade payables | 400.02 | 389.01 |
| Other financial liabilities | 278.84 | 74.88 |
| Provisions | 13.32 | 12.32 |
| Other liabilities | (417.38) | 1,586.19 |
| Cash used in operating activities | (2,197.33) | (191.58) |
| Income-taxes paid (net of refunds) | (700.68) | (601.56) |
| Net cash used in operating activities | (2,898.01) | (793.14) |
| B Cash flows from investing activities | | |
| Acquisition of property, plant and equipment (including capital work-in-progress) and intangible assets | (340.33) | (301.63) |
| Investment in subsidiaries | (93.08) | (20.00) |
| Interest received | 201.75 | 129.15 |
| Deposits made during the year | (730.62) | (1,905.59) |
| Changes in bank balances other than cash and cash equivalents | (266.86) | 109.75 |
| Net cash used in investing activities | (1,229.14) | (1,988.32) |
| C Cash flows from financing activities | | |
| Proceeds from issue of equity shares | 2,482.27 | 750.00 |
| Dividends paid (net of taxes) | (92.64) | (114.24) |
| Loans repaid by subsidiary | 28.00 | - |
| Proceeds from non-current borrowings | - | 19.60 |
| Repayment of non-current borrowings | (3.49) | (7.05) |
| Proceeds from current borrowings (net) | 3,175.44 | 3,129.52 |
| Principal repayment of lease liabilities | (311.01) | (204.32) |
| Interest repayment of lease liabilities | (281.97) | (219.01) |
| Finance costs paid | (790.53) | (594.90) |
| Net cash generated from financing activities | 4,206.07 | 2,759.60 |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 78.92 | (21.86) |
| Cash and cash equivalents at the beginning of the year | 71.43 | 93.29 |
| Cash and cash equivalents at the end of the year (refer note 16) | 150.35 | 71.43 |
| Components of cash and cash equivalents | | |
| Balances with banks in current accounts | 115.55 | 26.04 |
| Fixed deposits with maturity less than 3 months | - | 12.06 |
| Cheques on hand | 6.11 | 1.40 |
| Cash on hand | 28.69 | 31.93 |
| Cash and cash equivalents at the end of the year | 150.35 | 71.43 |

Statement of Cash Flow for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (a) The above Statement of Cash Flow has been prepared under the “Indirect Method” as set out in the Ind-AS 7 ‘Statements of Cash Flows’.
- (b) Reconciliation of liabilities from financing activities:

| Particulars | Lease liabilities | Non-current borrowings (including current maturities) | Current borrowings (including accrued interest) | Dividend |
|--|-------------------|---|---|--------------|
| Opening balance as on 01 April 2022 | 1,629.64 | 5.20 | 8,643.35 | 5.13 |
| Add: Non-cash changes due to: | | | | |
| - Recognition of lease liabilities | 672.21 | - | - | - |
| - Interest expense | 232.06 | 0.65 | 596.33 | - |
| - Dividend | - | - | - | 138.32 |
| Add: Cash inflows during the year: | | | | |
| - Proceeds from current borrowings (net) | - | - | 3,129.52 | - |
| Less: Cash outflows during the year: | | | | |
| - Repayment of non-current borrowings | - | 12.55 | - | - |
| - Repayment of lease liabilities | (204.32) | - | - | - |
| - Interest paid | (232.06) | (0.65) | (594.25) | - |
| - Dividend paid (including tax deducted at source) | - | - | - | (128.07) |
| Opening balance as on 01 April 2023 | 2,097.53 | 17.75 | 11,774.95 | 15.38 |
| Add: Non-cash changes due to: | | | | |
| - Recognition of lease liabilities | 806.28 | - | - | - |
| - Interest expense | 281.97 | 1.04 | 792.21 | - |
| - Dividend | - | - | - | 77.38 |
| Add: Cash inflows during the year: | | | | |
| - Proceeds from current borrowings (net) | - | - | 3,175.44 | - |
| Less: Cash outflows during the year: | | | | |
| - Repayment of non-current borrowings | - | (3.49) | - | - |
| - Repayment of lease liabilities | (311.01) | - | - | - |
| - Interest paid | (281.97) | (1.04) | (789.49) | - |
| - Dividend paid (including tax deducted at source) | - | - | - | (92.64) |
| Closing balance as on 31 March 2024 | 2,592.80 | 14.26 | 14,953.11 | 0.12 |

The accompanying notes to the standalone financial statements including a summary of material accounting policies and explanatory information are an integral part of these standalone financial statements.

This is the Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of

Senco Gold Limited

Rajni Mundra

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

Suvankar Sen

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

Ranjana Sen

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

Surendra Gupta

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

A. Equity share capital (*)

| Particulars | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------|----------------------------------|-------------------------|----------------------------|
| As at 31 March 2024: | | | |
| Equity share capital | 558.50 | 218.54 | 777.04 |
| As at 31 March 2023: | | | |
| Equity share capital | 531.86 | 26.64 | 558.50 |

B. Instruments entirely equity in nature (*)

| Particulars | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|---|----------------------------------|-------------------------|----------------------------|
| As at 31 March 2024: | | | |
| Compulsorily convertible non-cumulative preference shares | 132.96 | (132.96) | - |
| As at 31 March 2023: | | | |
| Compulsorily convertible non-cumulative preference shares | 132.96 | - | 132.96 |

C. Other equity (**)

| Particulars | Reserves and surplus | | | | | Other comprehensive income (OCI) | Total |
|--|----------------------|-----------------|--|-------------------|-----------------------------------|----------------------------------|----------|
| | Securities premium | General reserve | Special economic re-investment reserve | Retained earnings | Share based payment reserve (***) | Equity Instruments through OCI | |
| Balance as at 1 April 2022 | 314.35 | 153.64 | 1.15 | 6,135.47 | 0.86 | 0.25 | 6,605.72 |
| Profit for the year (net of taxes) | | - | - | 1,609.13 | - | - | 1,609.13 |
| Other comprehensive income (net of taxes): | | | | | | | |
| - Remeasurement gain of defined benefit plans | - | - | - | (5.26) | - | - | (5.26) |
| - Recognition of share based payment | - | - | - | - | 3.51 | - | 3.51 |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 0.76 | 0.76 |
| Total comprehensive income for the year | 314.35 | 153.64 | 1.15 | 7,739.34 | 4.37 | 1.01 | 8,213.86 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Security premium received | 723.36 | - | - | - | - | - | 723.36 |
| Payments of dividends (refer note 39) | - | - | - | (138.32) | - | - | (138.32) |
| Balance as at 31 March 2023 | 1,037.71 | 153.64 | 1.15 | 7,601.02 | 4.37 | 1.01 | 8,798.90 |
| Balance as at 1 April 2023 | 1,037.71 | 153.64 | 1.15 | 7,601.02 | 4.37 | 1.01 | 8,798.90 |
| Profit for the year (net of taxes) | | - | - | 1,887.50 | - | - | 1,887.50 |

Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Reserves and surplus | | | | | Other comprehensive income (OCI) | Total |
|--|----------------------|-----------------|--|-------------------|-----------------------------------|----------------------------------|------------------|
| | Securities premium | General reserve | Special economic re-investment reserve | Retained earnings | Share based payment reserve (***) | Equity Instruments through OCI | |
| Other comprehensive income (net of taxes): | | | | | | | |
| - Remeasurement gain of defined benefit plans | - | - | - | (18.68) | - | - | (18.68) |
| - Securities premium received | 2,624.72 | - | - | - | - | - | 2,624.72 |
| - Share issue expenses adjustment against premium arising on shares issued | (228.03) | | | | | | (228.03) |
| - Recognition of share based payment | - | - | - | - | 6.16 | - | 6.16 |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 0.13 | 0.13 |
| Total comprehensive income for the year | 3,434.40 | 153.64 | 1.15 | 9,469.84 | 10.53 | 1.14 | 13,070.70 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Payments of dividends (refer note 39) | - | - | - | (77.66) | - | - | (77.66) |
| Balance as at 31 March 2024 | 3,434.40 | 153.64 | 1.15 | 9,392.18 | 10.53 | 1.14 | 12,993.04 |

(*) Refer note 19

(**) Refer note 20

(***) Refer note 41

The accompanying notes to the standalone financial statements including a summary of material accounting policies and explanatory information are an integral part of these standalone financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of
Senco Gold Limited

Rajni Mundra
Partner
Membership No.: 058644
Place: Kolkata
Date: 23 May 2024

Suvankar Sen
Managing Director
and Chief Executive Officer
DIN: 01178803
Place: Kolkata
Date: 23 May 2024

Ranjana Sen
Director
DIN: 01226337
Place: Kolkata
Date: 23 May 2024

Surendra Gupta
Company Secretary
and Compliance Officer
Membership No.: A20666
Place: Kolkata
Date: 23 May 2024

Sanjay Banka
Chief Financial Officer
Place: Kolkata
Date: 23 May 2024

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

1. Corporate information

The Standalone Financial Statements comprise financial statements of Senco Gold Limited (the 'Company') for the year ended 31 March 2024. The Company is a public company domiciled in India, with its registered office situated at 41A, Acharya Jagdish Chandra Bose Road, Diamond Prestige, 10th floor, Kolkata, West Bengal - 700017, India. The Company has been incorporated under the provisions of the erstwhile Companies Act, 1956. The Corporate identification number of the Company is L36911WB1994PLC064637. The Company is engaged primarily in the business of manufacturing and trading of jewellery and articles made of gold, silver, diamond, platinum and other precious and semi precious stones.

2. (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorised, have been considered in preparing these Standalone Financial Statements.

(b) Application of new accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 and as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3 Material accounting policies

3.01 Overall consideration

These Standalone Financial Statements have been prepared on going concern basis using the material accounting policies and measurement bases summarised below.

These accounting policies have been used consistently throughout all periods presented in the Standalone Financial Statements, unless otherwise stated.

3.02 Statement of compliance

These Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act (as amended).

The Standalone Financial Statements were authorised for issue by the Company's Board of Directors on 23 May 2024. Revision, if any, to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3.03 Functional and presentation currency

These Standalone Financial Statements are presented in Indian rupee (Rs.), which is the Company's functional currency. All amounts have been rounded off to the nearest million, unless otherwise stated.

3.04 Basis of measurement

| Items | Measurement basis |
|--|---|
| Derivative assets/liabilities | Fair value |
| Certain financial assets and financial liabilities | Fair value |
| Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

3.05 Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then their valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

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

Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).”

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 48.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3.06 Operating cycle

Based on the nature of operations, the Company has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

3.07 Property, plant and equipment and capital work-in-progress

Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives or on the period of underlying lease agreement whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on the management evaluation the useful lives as given below best represent the period over which management expects to use these assets.

The estimated useful life of main category of property, plant and equipment are:-

| Class of assets | Estimated useful life (years) |
|-----------------------|-------------------------------|
| Freehold buildings | 30 years |
| Plant and equipment | 15 years |
| Furniture and fitting | 10 years |
| Office equipment | 5 years |
| Vehicles | 8 years |

Leasehold improvements are amortised over their useful life or lease term, whichever is lower.

Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not currently available for intended use.

3.08 Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the written down value method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

| Class of assets | Estimated useful life (years) |
|-------------------|-------------------------------|
| Computer software | 5 years |

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The Company recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss ('FVTPL') are added to the fair value on initial recognition.

Financial liabilities are classified as measured at amortised cost or FVTPL. The fair value of a financial liability at initial recognition is normally the transaction price. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

In accordance with Ind AS 113 'Fair Value Measurement', the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade payables, other payables and loans and borrowings including bank overdrafts.

(i) Non-derivative financial asset

Subsequent measurement

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- ◆ The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- ◆ Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets are included in other income using the effective interest rate method.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

Investments in equity instruments of subsidiaries

These are measured at cost in accordance with Ind AS 27 'Separate Financial Statements'.

Investments in equity instruments of others

These are measured at fair value through other comprehensive income ('FVOCI')

De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

(ii) Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

Fair value hedge

The Company designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Company has designated the borrowings pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

3.10 Inventories

Raw material - Lower of cost or net realisable value. Cost is determined on weighted average basis. Cost of raw material comprises of cost of purchase, hedging gain or loss and other costs incurred in bringing the inventory to their present condition and location.

Finished goods - Lower of cost or net realisable value. Cost is determined on weight average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade - Lower of cost or net realisable value. Cost is determined on weight average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

3.11 Employee benefits

The Company's obligations towards various employee benefits have been recognised as follows:

Post employment benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the years during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.12 Revenue recognition

Revenue from sale of goods and rendering of services

Revenue from contracts with customers (including franchisees) includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company determines at contract inception whether each performance obligation will be satisfied (i.e. control will be transferred) over time or at a point in time.

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the estimated line discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

No significant element of financing is deemed present as the sales are made with a credit term only given to franchisee customers to an extent of 4 months, which is consistent with market practice. The Company's obligation to replace/ repair jewellery under the standard terms is recognised as contract asset, refer note 13.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when earned.

Customer loyalty programme

The Company has a customer loyalty programme for its customers. The Company grants loyalty points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points and adjust them in future. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

3.13 Leases

Company as a lessee – Right of use assets and lease liabilities

A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

Classification of leases

The Company enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to extend/purchase etc.

Recognition and initial measurement of right of use assets

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Subsequent measurement of right of use assets

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Company has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.”

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Statement of Profit and Loss.

3.14 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the year they occur.

3.15 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income (‘OCI’).

The current income-tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

3.16 Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

3.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.18 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

3.19 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Company currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

3.20 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

3.21 Material accounting judgments, estimates and assumptions

Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

3. Material accounting policies *Contd.*

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 in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Standalone Financial Statements is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Useful lives of property, plant and equipment

The Company uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their useful life or respective lease terms, whichever is lower.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Leases ("Ind AS 116"). Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

4. Other significant accounting policies

4.01 Current / non-current classification

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

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Other significant accounting policies *Contd.*

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4.02 Impairment

(i) Impairment of financial instruments: financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

(ii) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Other significant accounting policies *Contd.*

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting years may no longer exist or may have decreased.

4.03 Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

Other long-term employees benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the year in which they arise.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Statement of Profit and Losses in the year in which they arise.

4.04 Foreign currency

Functional and presentation currency

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements have been prepared and presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Other significant accounting policies *Contd.*

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise.

4.05 Recognition of dividend income and interest income

Dividend income is recognised in the Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability."

In calculating interest income, the interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.06 Property, plant and equipment and capital work-in-progress

Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss .

4.07 Accounting judgments, estimates and assumptions

Use of estimates and judgements

Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Share based payment

At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Standalone Statement of Profit and Loss, with a corresponding adjustment to the equity.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Other significant accounting policies *Contd.*

4.08 Share based payments - Employee stock option Scheme (ESOP's)

The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options, derived using Black-Scholes model. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Statement of Profit and Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

4.09 Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

4.10 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Standalone Statement of Profit and Loss.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

5. Property, plant and equipment

| Particulars | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture and fittings | Office equipment | Vehicles | Total |
|------------------------------------|--------------------|------------------------|---------------------|------------------------|------------------|----------|----------|
| Gross block | | | | | | | |
| Balance as at 01 April 2022 | 598.65 | 161.46 | 372.71 | 470.12 | 72.74 | 26.99 | 1,702.67 |
| Additions for the year | 41.88 | 51.42 | 74.83 | 94.44 | 55.78 | - | 318.35 |
| Deletion during the year | - | (16.70) | - | - | - | - | (16.70) |
| Balance as at 31 March 2023 | 640.53 | 196.18 | 447.54 | 564.56 | 128.52 | 26.99 | 2,004.32 |
| Additions for the year | 144.36 | 67.45 | 116.76 | 138.95 | 61.32 | - | 528.84 |
| Deletion during the year | - | - | (8.58) | (3.08) | (0.10) | - | (11.76) |
| Balance as at 31 March 2024 | 784.89 | 263.63 | 555.72 | 700.43 | 189.74 | 26.99 | 2,521.40 |
| Balance as at 01 April 2022 | 261.56 | 97.31 | 242.05 | 363.02 | 53.11 | 17.38 | 1,034.43 |
| Charge for the year | 30.73 | 11.15 | 42.21 | 51.36 | 22.84 | 1.92 | 160.21 |
| Deletion during the year | - | (13.16) | - | - | - | - | (13.16) |
| Balance as at 31 March 2023 | 292.29 | 95.30 | 284.26 | 414.38 | 75.95 | 19.30 | 1,181.48 |
| Charge for the year | 37.37 | 22.69 | 65.80 | 54.97 | 37.92 | 1.47 | 220.22 |
| Deletion during the year | - | - | (6.07) | (2.68) | (0.09) | - | (8.84) |
| Balance as at 31 March 2024 | 329.66 | 117.99 | 343.99 | 466.67 | 113.78 | 20.77 | 1,392.86 |
| Net block | | | | | | | |
| As at 31 March 2023 | 348.24 | 100.88 | 163.28 | 150.18 | 52.57 | 7.69 | 822.84 |
| As at 31 March 2024 | 455.23 | 145.64 | 211.73 | 233.76 | 75.96 | 6.22 | 1,128.54 |

Notes :

- Contractual obligations: Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 21 for property, plant and equipment pledged as security.
- Title deeds of immovable properties not held in the name of the Company:

| Particulars | Description of the item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director | Property held since which date | Reason for not being held in the name of the Company |
|-------------------------------|-------------------------------------|----------------------|----------------------------------|--|--------------------------------|--|
| As at 31 March 2024 | | | | | | |
| Property, plant and equipment | Building | 6.94 | Senco Gold Impex Private Limited | No | 14 March 2007 | Refer note (a) below |
| | Building | 16.57 | Senco Gold Private Limited | No | 06 December 2006 | Refer note (b) below |
| As at 31 March 2023 | | | | | | |
| Property, plant and equipment | Building | 6.94 | Senco Gold Impex Private Limited | No | 14 March 2007 | Refer note (a) below |
| | Building | 16.57 | Senco Gold Private Limited | No | 06 December 2006 | Refer note (b) below |

Notes:

- The said properties were transferred as a result of merger of the said entities into the Company in the previous years. The Company is in the process of getting the title deeds duly transferred in its name.
- This property is held by the Company in its erstwhile name. The Company is in the process of getting the title deeds duly transferred in its name.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

6. Capital work-in-progress (CWIP)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Balance as at the beginning of the year | 130.64 | 65.14 |
| Addition for the year | 337.55 | 204.36 |
| Capitalised during the year | (466.84) | (138.86) |
| Balance as at the end of the year | 1.35 | 130.64 |

Notes:

(a) CWIP ageing schedule :

| Particulars | Amount of CWIP for a period of: | | | | Total |
|----------------------------|---------------------------------|-----------|-----------|----------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | |
| Retail stores | 1.35 | - | - | - | 1.35 |
| Head office | - | - | - | - | - |
| As at 31 March 2023 | | | | | |
| Retail stores | 97.63 | 0.06 | 0.22 | 18.75 | 116.66 |
| Head office | 13.98 | - | - | - | 13.98 |

(b) CWIP completion schedule for capital work in progress, whose completion is overdue compared to its original plan:

| Particulars | To be completed in: | | | | Total |
|----------------------------|---------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | |
| Retail stores | - | - | - | - | - |
| As at 31 March 2023 | | | | | |
| Retail stores | 19.40 | - | - | - | 19.40 |

(c) There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the current financial year.

(d) There is no project temporarily suspended during the current and previous financial year.

7. Right-of-use assets

| Particulars | Building | Land | Other plant and equipments | Total |
|--------------------------------------|-----------------|---------------|-------------------------------|-----------------|
| Gross block | | | | |
| Balance as at 31 March 2023 | 2,569.86 | 134.63 | 47.16 | 2,751.65 |
| Additions during the year | 932.71 | - | - | 932.71 |
| Deletions during the year | (152.93) | - | - | (152.93) |
| Balance as at 31 March 2024 | 3,349.64 | 134.63 | 47.16 | 3,531.43 |
| Accumulated depreciation | | | | |
| Balance as at 31 March 2023 | 818.96 | 15.83 | 5.69 | 840.48 |
| Charge for the year | 343.34 | 4.12 | 4.89 | 352.35 |
| Deletions during the year | (43.42) | - | - | (43.42) |
| Balance as at 31 March 2024 | 1,118.88 | 19.95 | 10.58 | 1,149.41 |
| Net block as on 31 March 2023 | 1,750.90 | 118.80 | 41.47 | 1,911.17 |
| Net block as on 31 March 2024 | 2,230.76 | 114.68 | 36.58 | 2,382.02 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

7. Right-of-use assets *Contd.*

Notes:

(a) The Company as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of retail stores, work-shops and guest houses. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Company has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Company to sub-lease the asset to another party, the right-of-use asset can only be used by the Company. Some lease contain an option to extend the lease for a further term.

(b) Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable based on consent of the Company."

(c) There are no leases which are yet to commence as on 31 March 2024 and 31 March 2023.

(d) **Lease payments, not included in measurement of liability**

The Company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------|-----------------------------|-----------------------------|
| Short-term leases | 6.19 | 7.45 |
| Cancellable leases | 49.26 | 45.07 |
| Variable lease payments | 11.49 | 5.44 |
| | 66.94 | 57.96 |

(e) **Total undiscounted future lease payments relating to underlying leases are as follows:**

| Particulars | Within 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|----------------------------|---------------|---------------|-----------------|----------------------|-----------------|
| As at 31 March 2024 | | | | | |
| Lease payments | 554.28 | 549.07 | 1,502.52 | 1,460.60 | 4,066.47 |
| | 554.28 | 549.07 | 1,502.52 | 1,460.60 | 4,066.47 |
| As at 31 March 2023 | | | | | |
| Lease payments | 447.00 | 420.95 | 1,200.41 | 1,338.05 | 3,406.41 |
| | 447.00 | 420.95 | 1,200.41 | 1,338.05 | 3,406.41 |

(f) **Amount recognised in the Balance Sheet:**

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------|------------------------|------------------------|
| (i) Right-of-use assets | | |
| - Buildings | 2,230.76 | 1,750.90 |
| - Land | 114.68 | 118.80 |
| - Other plant and equipments | 36.58 | 41.47 |
| | 2,382.02 | 1,911.17 |
| (ii) Lease liabilities | | |
| Non-current | 2,329.85 | 1,884.02 |
| Current | 262.95 | 213.51 |
| | 2,592.80 | 2,097.53 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

7. Right-of-use assets *Contd.*

(g) Amount recognised in the consolidated Statement of Profit and Loss:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (i) Depreciation of right-of-use assets | 352.35 | 282.25 |
| (ii) Interest expense (included in finance cost) | 281.97 | 219.01 |
| (iii) Gain on lease modification | 17.03 | 13.05 |

(h) Information about extension and termination options

| Particulars | Number of leases | Range of remaining term (in years) | Average remaining lease term (in years) | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---------------------------|------------------|------------------------------------|---|--|---------------------------------------|--|
| Building premises | 103 | 0.50 to 17.47 | 6.16 | 103 | - | 103 |
| Other plant and equipment | 5 | 3.42 to 8.01 | 5.29 | 5 | - | 5 |
| Land | 2 | 28.50 | 29.00 | - | - | - |

(i) Refer note 22 for lease liabilities and note 34 for finance costs on lease liabilities.

8. Intangible assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Computer software | | |
| Gross block | | |
| At the beginning of the year | 68.25 | 62.85 |
| Additions during the year | 22.22 | 5.40 |
| At the end of the year | 90.47 | 68.25 |
| Accumulated amortisation | | |
| At the beginning of the year | 46.01 | 38.98 |
| Amortisation for the year | 17.51 | 7.03 |
| At the end of the year | 63.52 | 46.01 |
| Net block | 26.95 | 22.24 |

9. Investments

Investment in equity instrument - unquoted

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (a) Subsidiaries | | |
| (Measured at cost) | | |
| 6,500,000 (31 March 2023: 4,000,000 shares) in Senco Gold Artisanship Private Limited of Rs. 10 each, fully paid-up [refer note (a) below] | 65.00 | 40.00 |
| 3,000 (31 March 2023: Nil shares) in Senco Global Jewellery Trading LLC of AED 1000 each, fully paid-up [refer note (b) below] | 68.08 | - |
| | 133.08 | 40.00 |

Notes:

- The Company has made investment into its wholly owned subsidiary Senco Gold Artisanship Private Limited, which has been incorporated in India and is in the business of manufacture of gold and diamond jewellery.
- The Company has made investment into its wholly owned subsidiary Senco Global Jewellery Trading LLC, which has been incorporated in Dubai and is in the business of trading of gold and diamond jewellery.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

9. Investments *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (b) Others | | |
| (Measured at fair value through other comprehensive income) | | |
| 2,700 shares in Diamond Prestige Occupants Association, fully paid-up (31 March 2023: 2,700 shares) of Rs. 10 each | 1.45 | 1.27 |
| | 134.53 | 41.27 |
| Note: | | |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments | 134.53 | 41.27 |
| Aggregate amount of impairment in value of investments | - | - |

10. Other financial assets (Unsecured, considered good)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Security deposits | 114.00 | 327.86 |
| Bank deposits with maturity of more than 12 months [refer note (a) and (b) below] | 186.70 | 231.28 |
| | 300.70 | 559.14 |
| Current | | |
| Security deposits [refer note (c) below] | 961.20 | 52.69 |
| Interest accrued but not due on fixed deposits | 108.90 | 60.89 |
| Margin money with brokers [refer note (c) below] | 464.25 | 593.23 |
| Other receivables | 11.08 | 13.04 |
| | 1,545.43 | 719.85 |

Notes:

- Bank deposits with maturity of more than 12 months, inter alia, includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to Rs. 59.83 millions (31 March 2023: Rs. 149.52 millions).
- Bank deposits with maturity of more than 12 months, inter alia, includes amounts held as margin monies with the banks as fixed deposits balances for security against Gold metal loan amounting to Rs. 98.52 millions (31 March 2023 : Rs. 76.00 millions)
- Inter alia, includes deposits maintained by the Company with brokers comprising time deposits with brokers for hedging contracts which can be withdrawn by the Company at any point without prior notice or penalty on the principal balance.

11. Deferred tax assets (net)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Deferred tax assets arising on account of: | | |
| Property, plant and equipment and intangible assets | 63.41 | 57.66 |
| Provision for expense allowed for tax purpose on payment basis | 78.78 | 62.25 |
| Provision for employee benefits expense | 8.99 | 5.64 |
| Impact of right-of-use asset and lease liabilities | 107.05 | 79.83 |
| Other financial liabilities | 0.08 | 0.12 |
| Total deferred tax assets | 258.31 | 205.50 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

11. Deferred tax assets (net) *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Deferred tax liabilities arising on account of: | | |
| Fair valuation of financial instruments through OCI | (0.36) | (0.31) |
| Loans | (29.76) | (25.62) |
| Total deferred tax liabilities | (30.12) | (25.93) |
| Deferred tax assets (net) | 228.19 | 179.57 |

(a) Movement in deferred tax assets/(liabilities)

| Particulars | Balance as at the beginning of the year | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | Balance as at the end of the year |
|--|---|---|---|---|
| Year ended 31 March 2024: | | | | |
| Deferred tax assets arising on account of: | | | | |
| Property, plant and equipment and intangible assets | 57.66 | 5.75 | - | 63.41 |
| Provision for expense allowed for tax purpose on payment basis | 62.25 | 16.53 | - | 78.78 |
| Provision for employee benefits expense | 5.64 | (2.93) | 6.28 | 8.99 |
| Impact of right-of-use asset and lease liabilities | 79.83 | 27.22 | - | 107.05 |
| Other financial liabilities | 0.12 | (0.04) | - | 0.08 |
| Deferred tax liabilities arising on account of: | | | | |
| Fair valuation of financial instruments through OCI | (0.31) | - | (0.05) | (0.36) |
| Loans | (25.62) | (4.14) | - | (29.76) |
| | 179.57 | 42.39 | 6.23 | 228.19 |
| Year ended 31 March 2023: | | | | |
| Deferred tax assets arising on account of: | | | | |
| Property, plant and equipment and intangible assets | 54.15 | 3.51 | - | 57.66 |
| Provision for expense allowed for tax purpose on payment basis | 43.46 | 18.79 | - | 62.25 |
| Provision for employee benefits expense | 4.04 | (0.17) | 1.77 | 5.64 |
| Impact of right-of-use asset and lease liabilities | 60.76 | 19.07 | - | 79.83 |
| Other financial liabilities | (0.02) | 0.14 | - | 0.12 |
| Deferred tax liabilities arising on account of: | | | | |
| Fair valuation of financial instruments through OCI | (0.06) | - | (0.25) | (0.31) |
| Loans | (20.91) | (4.71) | - | (25.62) |
| | 141.42 | 36.63 | 1.52 | 179.57 |

12. Income-tax assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Prepaid taxes (net of provision for tax of Rs. 2,255.60 millions) (31 March 2023: Rs. 2,276.09 millions) | 164.34 | 184.84 |
| | 164.34 | 184.84 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

13. Other non-current and current assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Non-current | | |
| Capital advances | 22.08 | 177.46 |
| Advances other than capital advances: | | |
| - Prepaid expenses | 19.19 | 13.44 |
| | 41.27 | 190.90 |
| Current | | |
| Balance with statutory authorities | 436.62 | 305.72 |
| Prepaid expenses | 83.42 | 82.17 |
| Advance to suppliers | 115.07 | 154.44 |
| Contract assets [refer note (a) below] | 76.26 | 47.77 |
| Initial Public Offer ('IPO') expenses [refer note (b) below] | - | 63.15 |
| | 711.37 | 653.25 |

Note:

- (a) Contract assets represents the amount of goods expected to be received by the Company on account of sales return.
- (b) The Company has during the year successfully completed its initial public offer (IPO) of equity shares, and has incurred certain expenses amounting to Rs. 228.03 millions (31 March 2023: Rs. 63.15 millions) in connection with the said public offer. These IPO related expenses has been adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013.

14. Inventories (Valued at lower of cost and net realizable value)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|----------------|------------------------|------------------------|
| Raw materials | 3,439.41 | 2,415.21 |
| Stock-in-trade | 5,574.60 | 4,370.62 |
| Finished goods | 15,353.67 | 11,991.90 |
| | 24,367.68 | 18,777.73 |

Note:

- (a) Refer note 21 for information on inventories pledged as security by the Company.

15. Trade Receivables

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Considered good - Unsecured | 644.38 | 454.39 |
| Credit impaired | 25.57 | 25.57 |
| | 669.95 | 479.96 |
| Less: Allowances for expected credit loss | (25.57) | (25.57) |
| | 644.38 | 454.39 |

Notes:

- (a) The movement in allowances for credit losses is as follows:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Balance as at beginning of the year | 25.57 | 23.12 |
| Additions during the year | - | 2.45 |
| Balance at the end of the year | 25.57 | 25.57 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

15. Trade Receivables *Contd.*

(b) Trade receivables ageing schedule is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------------|--|-------------------|-----------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | | |
| (i) Undisputed trade receivables: | | | | | | |
| - considered good | 644.34 | 0.04 | - | - | - | 644.38 |
| - considered doubtful | - | - | - | - | 2.45 | 2.45 |
| (ii) Disputed trade receivables: | | | | | | |
| - considered good | - | - | - | - | - | - |
| - considered doubtful | - | - | - | - | 23.12 | 23.12 |
| As at 31 March 2023 | | | | | | |
| (i) Undisputed trade receivables: | | | | | | |
| - considered good | 421.93 | 32.29 | 0.13 | 0.04 | - | 454.39 |
| - considered doubtful | - | - | - | 0.03 | 2.42 | 2.45 |
| (ii) Disputed trade receivables: | | | | | | |
| - considered good | - | - | - | - | - | - |
| - considered doubtful | - | - | - | - | 23.12 | 23.12 |

(c) Refer note 48 for information about credit risk and market risk of trade receivables.

(d) There are no outstanding debts due from directors or other officers of the Company.

(e) Refer note 21 for information on trade receivables pledged as security by the Company.

16. Cash and cash equivalents

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Balances with banks in current accounts (*) | 115.55 | 26.04 |
| Fixed deposits with maturity less than 3 months | - | 12.06 |
| Cheques on hand | 6.11 | 1.40 |
| Cash on hand | 28.69 | 31.93 |
| | 150.35 | 71.43 |

(*) The balance in current account, inter alia, includes funds in transit primarily for credit card and online receipts, yet to be credited to the Company amounting to Rs. 42.25 millions. (31 March 2023: Rs. 20.44 millions).

17. Bank balances other than cash and cash equivalents

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Bank deposits held as margin money and earmarked against other commitments [refer note (a) and (b) below] | 3,961.05 | 3,185.85 |
| Balances with banks in current accounts [refer note (c) and (d) below] | 1,361.91 | 1,095.05 |
| | 5,322.96 | 4,280.90 |

Notes:

- (a) Inter alia, includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to Rs. 316.72 millions (31 March 2023 : Rs. 23.50 millions)
- (b) Inter alia, includes amounts held as margin monies with the banks as fixed deposit balances for security against gold metal loan amounting to Rs. 2,222.04 millions (31 March 2023 : Rs. 1,855.00 millions)

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

17. Bank balances other than cash and cash equivalents *Contd.*

- (c) Inter alia, includes amounts held as margin monies with the banks as security amounting to Rs. 1121.51 millions (31 March 2023 : Rs. 1,079.68 millions)
- (d) Inter alia, includes amounts held in unpaid dividend account with the banks amounting to Rs. 0.12 millions (31 March 2023 : Rs. 15.37 millions)

18. Loans (Unsecured, considered good)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Current | - | 28.00 |
| Loans to related parties (refer note 42) | - | 28.00 |

Notes:

- (a) Disclosure pursuant to Section 186(4) of the Companies Act, 2013

Loans and advances in the nature of loans, outstanding from subsidiaries as at year end:

| Particulars | Loans outstanding as at year end | | Maximum balance outstanding during the year | |
|--|-------------------------------------|---------------|--|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Subsidiary: | | | | |
| Senco Gold Artisanship Private Limited | - | 28.00 | 28.00 | 28.00 |
| | - | 28.00 | 28.00 | 28.00 |

- (i) The above loan is given for the business purposes and is repayable on demand. It carries an interest of 9% p.a.
- (ii) Details of investments made in the subsidiary have been provided in note 9.

19. Share capital

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Authorised | | |
| 100,000,000 equity shares of Rs. 10 each | 1,000.00 | 1,000.00 |
| 14,000,000 0.01% compulsorily convertible non-cumulative preference shares of Rs. 10 each | 140.00 | 140.00 |
| | 1,140.00 | 1,140.00 |
| Issued, subscribed and paid up | | |
| 77,704,173 equity shares (31 March 2023 : 55,849,653 equity shares) of Rs. 10 each | 777.04 | 558.50 |
| Nil 0.01% compulsorily convertible non-cumulative preference shares (31 March 2023: 13,296,153 equity shares) of Rs. 10 each | - | 132.96 |
| | 777.04 | 691.46 |

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--|---------------------|---------------|---------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| Balance as at the beginning of the year | 5,58,49,653 | 558.50 | 5,31,86,112 | 531.86 |
| Add: Compulsorily convertible non-cumulative preference shares converted during the year | 1,32,96,153 | 132.96 | - | - |
| Add: Shares issued during the year | 85,17,350 | 85.17 | 26,63,541 | 26.64 |
| Add: Shares issued during the year for ESOP | 41,017 | 0.41 | - | - |
| Balance as at the end of the year | 7,77,04,173 | 777.04 | 5,58,49,653 | 558.50 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

19. Share capital *Contd.*

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|------------------|----------|--------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Instruments entirely equity in nature | | | | |
| 0.01% compulsorily convertible non-cumulative preference shares | | | | |
| Balance as at the beginning of the year | 1,32,96,153 | 132.96 | 1,32,96,153 | 132.96 |
| Less: Compulsorily convertible non-cumulative preference shares converted during the year | (1,32,96,153) | (132.96) | - | - |
| Balance as at the end of the year | - | - | 1,32,96,153 | 132.96 |

(b) Terms and rights attached to shares

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having face value of Rs. 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share was convertible into one equity share of par value Rs. 10 at any time on or after 8 October 2014 but not later than 7 October 2034. The Board of Directors of the Company had the power to decide the appropriate mechanism for transfer/buy back of these shares, in case the same was exercised by the holder of such preference shares. The holders of these shares were entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares were also entitled to participate in dividend and capital distributed by the Company over and above the preference dividend on as-if converted basis pari passu with the holders of the equity shares of the Company.

Preference shares carried a preferential right as to dividend over equity shareholders. Where dividend on preference shares was not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares were entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders had a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

During the current year, this compulsorily convertible non-cumulative preference shares have been converted to equity share capital.

(c) Particulars of shareholders holding more than 5% shares of a class of shares

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--|--------------------|-------------------|--------------------|-------------------|
| | Number of shares | % of shareholding | Number of shares | % of shareholding |
| (i) Equity shares | | | | |
| Equity shares of Rs. 10 each fully paid up, held by: | | | | |
| Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen, Mrs. Joita Sen) | 3,44,36,529 | 44.32% | 3,44,36,529 | 61.66% |
| Mr. Suvankar Sen | 1,18,90,968 | 15.30% | 1,18,90,968 | 21.29% |
| Saif Partners India IV Limited, Mauritius (*) | 83,68,252 | 10.77% | 300 | - |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246 | 6.86% | 53,34,246 | 9.55% |
| | 6,00,29,995 | 77.25% | 5,16,62,043 | 92.50% |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

19. Share capital *Contd.*

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|------------------|-------------------|--------------------|-------------------|
| | Number of shares | % of shareholding | Number of shares | % of shareholding |
| (ii) Instruments entirely equity in nature | | | | |
| 0.01% compulsorily convertible non-cumulative preference shares | - | - | 1,32,96,153 | 100.00% |
| Saif Partners India IV Limited, Mauritius | - | 0.00% | 1,32,96,153 | 100.00% |

(*):less than 5% in the previous financial year

(d) Shareholding of promoters are as follows:

| Particulars | No. of shares | % of total shares | % change during the year |
|---|---------------|-------------------|--------------------------|
| As at 31 March 2024 | | | |
| Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen, Mrs. Joita Sen) | 3,44,36,529 | 44.32% | (17.34%) |
| Mr. Suvankar Sen | 1,18,90,968 | 15.30% | (5.99%) |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246 | 6.86% | (2.69%) |
| As at 31 March 2023 | | | |
| Jai Hanuman Shri Siddhivinayak Trust {Trustees - Mr. Suvankar Sen, Mrs. Joita Sen [with effect from (w.e.f.) 14 April 2021] and late Mr. Sankar Sen (upto 28 July 2020)} | 3,44,36,529 | 61.66% | - |
| Om Gaan Ganpataye Bajrangbali Trust {Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen (w.e.f. 14 April 2021) and late Mr. Sankar Sen (upto 28 July 2020)} | 53,34,246 | 9.55% | - |
| Mr. Suvankar Sen | 1,18,90,968 | 21.29% | - |

(e) Equity shares reserved for issue under options and contracts/ commitments for sale of share/ disinvestment:

| Particulars | Number | Amount |
|--|-------------|--------|
| As at 31 March 2024: | | |
| - Employee's share based payments plan (refer note 41) | 2,16,083 | 2.16 |
| As at 31 March 2023: | | |
| - Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |
| - Employee's share based payments plan (refer note 41) | 1,62,100 | 1.62 |

(f) Ordinary shares allotted as fully paid pursuant to contract without payment being received in cash during the period of immediately preceding five years: Nil

(g) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

| Particulars | Number | Amount |
|--|-------------|--------|
| Year ended 31 March 2019 | | |
| - Equity shares (refer note below) | 3,54,57,408 | 354.57 |
| - 0.01% compulsorily convertible non-cumulative preference shares [refer note below] | 88,64,102 | 88.64 |

(h) aggregate number and class of shares bought back during the year of immediately preceding five years: Nil

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

19. Share capital *Contd.*

- (i) The Company completed the Initial Public Offer ('IPO') its equity shares during the year ended March 2024 and listed its shares on BSE Limited and National Stock Exchange on 14 July 2023. Pursuant to IPO, the Company had allotted 85,17,350 fresh equity shares of Rs. 10 each to public at a premium of Rs. 307.00 per equity share on 14 July 2023. The total share premium arising on IPO amounting to Rs. 228.03 millions had been accounted under securities premium reserve.

Note:

The Board of Directors of the Company at its meeting held on 03 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their ensuing general meeting, in the ratio of two equity shares of Rs. 10 each for every one equity share of Rs. 10 each and two compulsorily convertible non-cumulative preference shares of Rs. 10 each for every one compulsorily convertible non-cumulative preference share of Rs. 10 each of the Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Company has allotted 35,457,408 equity shares of Rs. 10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of Rs. 10 each on 6 May 2018 to their shareholders.

20. Other Equity

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Reserves and surplus | | |
| Securities premium | 3,434.40 | 1,037.71 |
| General reserve | 153.64 | 153.64 |
| Share based payment reserve | 10.53 | 4.37 |
| Special economic re-investment reserve | 1.15 | 1.15 |
| Retained earnings | 9,392.18 | 7,601.02 |
| Other comprehensive income | | |
| Equity instruments through other comprehensive income ('OCI') | 1.14 | 1.01 |
| | 12,993.04 | 8,798.90 |

The description, nature and purpose of each reserve within other equity are as follows:

- (a) **Security premium:** Security premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- (b) **General reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the erstwhile provisions of the Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of net profit to general reserve.
- (c) **Share based payment reserve:** This represents the fair value of the stock options granted by the Company, accumulated over the vesting period. The reserve will be utilised on exercise of the options.
- (d) **Special economic re-investment reserve:** It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.
- (e) **Retained earnings:** Retained earnings represents the profits earned by the Company till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- (f) **Equity instruments through OCI:** The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

21. Borrowings

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Secured Loans : | | |
| Term loan (unsecured) | 14.26 | 17.75 |
| | 14.26 | 17.75 |
| Less: Current maturities of term loans | 3.72 | 3.49 |
| | 10.54 | 14.26 |
| Current | | |
| Loans repayable on demand from banks: | | |
| - Cash credit facilities (secured) [refer note (a) below] | 1,659.87 | 2,248.04 |
| - Short term demand loan (secured) [refer note (b) below] | 4,202.58 | 3,129.86 |
| Other loans from banks: | | |
| - Gold metal loans (secured) [refer note (c) below] | 9,066.98 | 6,376.09 |
| Current maturities of non-current borrowings:- Term loan | 3.72 | 3.49 |
| Interest accrued on borrowings | 23.68 | 20.96 |
| | 14,956.83 | 11,778.44 |

Notes:

- Cash credit facilities from banks carry interest ranging between 8.75% p.a. - 11.65% p.a. (31 March 2023 : 8.00% p.a. - 11.50% p.a.), computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Company's entire inventories and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank. These facilities are also secured by the unconditional and irrevocable personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- Short-term demand loan (working capital demand loan) has been availed from banks for financing of the working capital requirement for a period of 60 - 90 days. The rate of interest on the facilities is ranging between 9.00% p.a. - 12.05% p.a. (31 March 2023: 7.50% p.a. - 11.40% p.a.), fixed and shall be payable at monthly rests on the 1st day of the subsequent month/maturity, wherever applicable. These facilities are secured against is personal guarantees of Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- Gold metal loans carry interest ranging between 2.25% p.a. - 4.25% p.a. (31 March 2023: 2.75% p.a. - 4.25% p.a.), calculated on the quantum of ounce outstanding. These are repayable within 270 days, if the end use of bullion is for export purposes and within 180 days if the end use of bullion is for domestic purposes. These loans are secured by standby letter of credits provided by the issuing bank to the bullion bank, earmarked cash credit limits, fixed deposits and margin account balances with an excess value of margin money of 1% - 12%.
- There has been no default in repayment of principal amount or interest thereon during the current and previous financial year.

22. Lease liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|----------------------------------|------------------------|------------------------|
| Non-current | | |
| Lease obligations (refer note 7) | 2,329.85 | 1,884.02 |
| | 2,329.85 | 1,884.02 |
| Current | | |
| Lease obligations (refer note 7) | 262.95 | 213.51 |
| | 262.95 | 213.51 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

23. Other financial liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Non - current | | |
| Security deposits | 43.44 | 6.09 |
| | 43.44 | 6.09 |
| Current | | |
| Creditor for capital goods | 22.96 | 96.90 |
| Accrued salaries and benefits | 97.67 | 138.86 |
| Unpaid dividends (*) | 0.12 | 15.38 |
| Mark to market loss on gold future contracts | 447.56 | 194.01 |
| Accrued expenses (#) | 88.80 | 59.67 |
| | 657.11 | 504.82 |

(*) These are not yet due for credit into the Investor Education and Protection Fund, in accordance with Section 124 of the Act, as at the year end.

(#) These are not yet due as on the reporting date.

24. Provisions

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Provision for employee benefits: | | |
| Gratuity (refer note 40) | 26.85 | 5.69 |
| | 26.85 | 5.69 |
| Current | | |
| Provision for employee benefits: | | |
| Compensated absences | 36.97 | 19.85 |
| | 36.97 | 19.85 |

25. Other liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Deferred income | 18.93 | 1.76 |
| Deposits received from customers under jewellery purchase schemes | - | 243.43 |
| | 18.93 | 245.19 |
| Current | | |
| Advance from customers | 954.86 | 964.64 |
| Deposits received from customers under jewellery purchase schemes | 1,629.89 | 1,919.38 |
| Liability towards customer loyalty program | 224.60 | 189.36 |
| Statutory dues payable | 22.71 | 22.37 |
| Deferred income | 5.42 | 0.54 |
| Contract liability (*) | 82.53 | 52.24 |
| | 2,920.01 | 3,148.53 |

Note:

(*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as at the end of the reporting year. Thus, it represents the value of sales the Company estimates to be returned on account of sales return.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

26. Trade payables

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 182.49 | 197.48 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| - Acceptances (*) | 421.63 | 250.51 |
| - Other than acceptances | 1,357.69 | 1,113.80 |
| | 1,961.81 | 1,561.79 |

Note:

(*)The Company enters into deferred payment arrangements (acceptances) wherein dues to micro, small and medium enterprises ('MSME') are paid by banks, which is subsequently settled by the Company at a later date. Interest borne on such arrangements is accounted for as finance cost.

(a) Trade payables ageing:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|----------------------------|--|--------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | |
| (i) MSME | 182.49 | - | - | - | 182.49 |
| (ii) Others | 1,760.46 | 15.93 | 0.74 | 2.19 | 1,779.32 |
| (iii) Disputed dues- MSME | - | - | - | - | - |
| (iv) Disputed dues- others | - | - | - | - | - |
| | 1,942.95 | 15.93 | 0.74 | 2.19 | 1,961.81 |
| As at 31 March 2023 | | | | | |
| (i) MSME | 197.48 | - | - | - | 197.48 |
| (ii) Others | 1,354.10 | 2.61 | 1.64 | 5.96 | 1,364.31 |
| (iii) Disputed dues- MSME | - | - | - | - | - |
| (iv) Disputed dues- others | - | - | - | - | - |
| | 1,551.58 | 2.61 | 1.64 | 5.96 | 1,561.79 |

27. Current tax liabilities (net)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Provision for tax (net of advance tax and taxes deducted at source of Rs. 2,339.18 millions) (31 March 2023: Rs. 1,626.91 millions) | 154.69 | 155.61 |
| | 154.69 | 155.61 |

28. Revenue from operations

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Sale of products | 52,199.10 | 40,679.08 |
| Other operating revenue: | | |
| - Franchisee fees | 97.54 | 76.56 |
| | 52,296.64 | 40,755.64 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

28. Revenue from operations *Contd.*

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

(a) Revenue streams

The Company generates revenue primarily from the sale of jewellery and other articles. Other sources of revenue includes income from franchisee fees.

(b) Disaggregation of revenue from contracts with customers

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| A. Revenue by product lines and others: | | |
| Gold jewellery | 44,565.19 | 34,806.66 |
| Diamond jewellery (Including gold, platinum and other components on the jewellery) | 5,662.32 | 4,203.72 |
| Platinum jewellery | 1,232.10 | 1,058.45 |
| Silver jewellery and articles | 481.21 | 390.39 |
| Precious/semi precious stones | 137.75 | 121.38 |
| Fashion jewellery | 118.13 | 96.63 |
| Novelty and accessories | 2.40 | 1.85 |
| Franchisee fees | 97.54 | 76.56 |
| | 52,296.64 | 40,755.64 |
| B. Revenue by timing of revenue recognition: | | |
| Goods transferred at a point in time when performance obligation is satisfied | 52,296.64 | 40,755.64 |
| Revenue as per operating segment (refer note 44) | 52,296.64 | 40,755.64 |
| C. Revenue by geography: | | |
| Domestic | 50,418.71 | 40,057.45 |
| Outside India | 1,877.93 | 698.19 |
| Revenue as per operating segment (refer note 44) | 52,296.64 | 40,755.64 |

D. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

| Particulars | Note | As at 31 March 2024 | As at 31 March 2023 |
|--|------|------------------------|------------------------|
| Receivables, which are included in 'trade receivables' (net of provision) | 15 | 644.38 | 454.39 |
| Contract assets | 13 | 76.26 | 47.77 |
| Contract liabilities (includes order advances, liability towards customer loyalty program and deposits received from customers under jewellery purchase schemes) | 25 | 2,891.88 | 3,369.05 |

E. Reconciliation of revenue recognised in the Statement of Profit and Loss with the contracted price:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Sale of products | 53,915.22 | 41,950.45 |
| Less: Variable consideration (discounts, etc.) | 1,716.12 | 1,271.37 |
| Total sale of products | 52,199.10 | 40,679.08 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

29. Other income

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Interest income on bank deposits | 236.19 | 124.74 |
| Interest income on financial assets measured at amortised cost | 13.57 | 29.96 |
| Net gain on foreign currency transactions and translations | 21.85 | 20.08 |
| Liabilities no longer required, written back | 45.17 | 18.35 |
| Unwinding of discount on financial assets | 15.91 | 12.27 |
| Gain on lease modification | 17.03 | 13.05 |
| Interest on income-tax refund | 4.88 | - |
| Ineffective portion of change in fair value of metals | 53.27 | 94.50 |
| Profit on disposal of property, plant and equipment (net) | 0.24 | - |
| Others | 19.48 | 4.06 |
| | 427.59 | 317.01 |

30. Cost of materials consumed

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Inventory of raw materials at the beginning of the year | 2,415.21 | 1,435.37 |
| Add: Purchases during the year | 40,202.79 | 30,176.38 |
| Less: Inventory of raw materials at the end of the year | 3,439.41 | 2,415.21 |
| | 39,178.59 | 29,196.54 |

31. Purchases of stock-in-trade

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 9,646.96 | 8,932.31 |
| | 9,646.96 | 8,932.31 |

32. Changes in inventories of finished goods and stock-in-trade

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------------|-----------------------------|-----------------------------|
| Opening stock | | |
| - Finished goods | 11,991.90 | 9,701.66 |
| - Stock-in-trade | 4,370.62 | 2,749.60 |
| | 16,362.52 | 12,451.26 |
| Less: Closing stock | | |
| - Finished goods | 15,353.67 | 11,991.90 |
| - Stock-in-trade | 5,574.60 | 4,370.62 |
| | 20,928.27 | 16,362.52 |
| Increase in inventories | (4,565.75) | (3,911.26) |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

33. Employee benefits expense

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Salaries and wages | 947.37 | 813.32 |
| Contribution to provident and other funds (refer note 40) | 77.46 | 59.71 |
| Share based payment expenses (refer note 41) | 6.16 | 3.51 |
| Staff welfare expenses | 52.94 | 38.61 |
| | 1,083.93 | 915.15 |

34. Finance costs

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interest expense on financial liabilities: | | |
| - on working capital loans and term loans | 459.09 | 378.55 |
| - on gold metal loans | 213.36 | 163.46 |
| - unwinding of discount on security deposits | 2.63 | 0.44 |
| Interest on lease liabilities (refer note 7) | 281.97 | 219.01 |
| Interest on income-tax | 8.20 | 12.83 |
| Other borrowing costs | 112.73 | 86.24 |
| | 1,077.98 | 860.53 |

35. Depreciation and amortisation expense

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment (refer note 5) | 220.22 | 160.21 |
| Depreciation of right-of-use assets (refer note 7) | 352.35 | 282.25 |
| Amortisation of intangible assets (refer note 8) | 17.51 | 7.03 |
| | 590.08 | 449.49 |

36. Other expenses

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---------------------------------|-----------------------------|-----------------------------|
| Advertising and sales promotion | 1,033.11 | 810.36 |
| Assets written off | - | 3.54 |
| Job work charges | 866.95 | 650.61 |
| Packing materials consumed | 49.02 | 44.24 |
| Rent [refer note 6(d)] | 66.94 | 57.96 |
| Repairs and maintenance: | | |
| - plant and equipments | 15.54 | 14.14 |
| - buildings | 20.70 | 19.16 |
| - others | 146.62 | 121.87 |
| Travelling expenses | 51.38 | 30.11 |
| Electricity charges | 91.87 | 69.81 |
| Legal and professional | 187.14 | 50.59 |
| Brokerage and commission | 29.86 | 10.59 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

36. Other expenses *Contd.*

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Bank charges | 129.83 | 121.42 |
| Insurance | 55.04 | 34.87 |
| Fair value loss on commodity hedging contracts | - | 54.06 |
| Rates and taxes | 84.29 | 87.30 |
| Payment to auditors [refer note (a) below] | 7.09 | 3.69 |
| Corporate social responsibility expenses (refer note 46) | 32.25 | 26.50 |
| Allowance for expected credit loss | - | 2.45 |
| Bad debts written off | - | 1.00 |
| Security expenses | 222.90 | 171.52 |
| Security deposit written off | - | 12.11 |
| Miscellaneous expenses | 48.78 | 46.13 |
| | 3,139.31 | 2,444.03 |

Note:

(a) Payments to auditors (excluding applicable taxes) (*)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|------------------------------------|-----------------------------|-----------------------------|
| (i) Auditor | 6.25 | 3.00 |
| (ii) For other services | 0.70 | 0.50 |
| (iii) For reimbursement of expense | 0.14 | 0.19 |
| | 7.09 | 3.69 |

(*) During the year Rs. 2.18 million (31 March 2023: Rs. 10.16 million) has been paid to the auditor in reference to the initial public offer related work, inter alia, including fees for special purpose audits, audit of restated consolidated financial information and certain other certifications. These IPO related expenses has been adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013.

37. Tax expenses

A. Tax expense recognised in the Statement of Profit and Loss:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Current tax: | | |
| - Current year | 728.02 | 634.74 |
| - Pertaining to earlier years | - | (21.38) |
| Deferred tax credit | (42.39) | (36.63) |
| | 685.63 | 576.73 |

B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in the Statement of Profit and Loss are as follows:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Profit before tax | 2,573.13 | 2,185.86 |
| Enacted tax rates in India (%) | 25.17% | 25.17% |
| Computed tax expense | 647.61 | 550.14 |
| Effect of non-deductible expenses | 38.02 | 47.97 |
| Prior year taxes | - | (21.38) |
| Total tax expense as per the Statement of Profit and Loss | 685.63 | 576.73 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

37. Tax expenses *Contd.*

C. The following tables provides the details of income-tax assets and current tax liabilities:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Advance tax (refer note 12) | 164.34 | 184.84 |
| Provision for tax (refer note 27) | (154.69) | (155.61) |
| Net position (income-tax asset) | 9.65 | 29.23 |
| a. Income-tax assets | | |
| Opening balance | 184.84 | 180.33 |
| Tax deducted at source during the year | - | 0.44 |
| Refund received during the year | (20.50) | - |
| Prior year taxes | - | 4.07 |
| | 164.34 | 184.84 |
| b. Current tax liabilities | | |
| Opening balance | 155.61 | 138.51 |
| Provision for tax | 728.02 | 634.74 |
| Interest on taxes | 8.20 | 12.83 |
| Advance tax paid during the year | (595.00) | (485.00) |
| Self assessment tax paid | (100.00) | (90.00) |
| Tax deducted at source during the year | (42.13) | (34.09) |
| Prior year taxes | - | (21.38) |
| | 154.69 | 155.61 |
| Net position | 9.65 | 29.23 |

38. Earnings per equity share (EPS)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| i. Weighted average number of equity shares of Rs. 10 each for basic earnings per share: | | |
| Number of equity shares at the end of the year (A) | 7,52,43,359 | 5,58,05,748 |
| Effect of compulsorily convertible non-cumulative preference shares (B) | - | 1,32,96,153 |
| Weighted average number of equity shares outstanding at the end of the year for calculating basic earnings per equity share [(C) = (A)+(B)] | 7,52,43,359 | 6,91,01,901 |
| Add: Stock options granted to employees (refer note 41) (D) | 2,30,403 | 1,67,127 |
| Weighted average number of equity shares outstanding at the end of the year for calculating diluted earnings per equity share [(E) = (C)+(D)] | 7,54,73,762 | 6,92,69,029 |
| ii. Net profit for the year (F) | 1,887.50 | 1,609.13 |
| iii. Basic earnings per equity share (Rs.) (F) / (C) | 25.09 | 23.29 |
| iv. Diluted earnings per equity share (Rs.) (F) / (E) | 25.01 | 23.23 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

39. Dividend on shares

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interim dividend on equity shares @ Rs. 1.00/ per share for the year ended 31 March 2024 | 77.66 | - |
| Interim dividend on equity shares @ Rs. 1.50/ per share for the year ended 31 March 2023 (Rs. 0.50 and Rs. 1.00 per share) | - | 83.77 |
| Interim dividend on preference shares @ Rs. 1.501/share for the year ended 31 March 2023 (Rs. 0.501 and Rs. 1.01 per share) | - | 19.97 |
| Final dividend on equity shares @ Rs. 0.50/ per share for the year ended 31 March 2022 | - | 27.92 |
| Final dividend on preference shares @ Rs. 0.501/ per share for the year ended 31 March 2022 | - | 6.66 |
| | 77.66 | 138.32 |

(*)The board of directors of the company of their meeting held on 09 November 2023 had recommended as interim dividend @ 10% (Rs. 1 per equity share of face value of 10) and was subsequently paid further the Board of Directors have recommended final dividend Rs. 1.00 (10%) per equity share of Rs. 10 each for the financial year 2023-24. The dividend is subject to the approval of the shareholders is ensuring Annual General Meeting of the company.

40. Employee benefits

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to Rs. 58.94 millions. (31 March 2023: Rs. 51.53 millions)

Defined benefit plans

The Company operates one post-employment defined benefit plan (i.e., gratuity). The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Net defined benefit obligation (Gratuity) | 98.04 | 59.71 |
| Net defined benefit asset (Gratuity) | (71.19) | (54.02) |
| Liability recognised in Balance Sheet | 26.85 | 5.69 |
| Non-current | 26.85 | 5.69 |
| Net liability recognised in the Balance Sheet | 26.85 | 5.69 |

The following tables analyse present value of defined benefit obligations, expense recognised in the Statement of Profit and Loss, actuarial assumptions and other information.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

40. Employee benefits *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|----------------------------|----------------------------|
| (I) Reconciliation of present value of defined benefit obligation | | |
| (a) Balance at the beginning of the year | 59.71 | 42.99 |
| (b) Current service cost | 13.51 | 12.34 |
| (c) Interest cost | 4.36 | 2.96 |
| (d) Benefits paid | (3.26) | (4.55) |
| (e) Actuarial (gains) / loss recognised in other comprehensive income: | | |
| - change in financial assumptions | 15.49 | 0.21 |
| - change in demographic assumptions | 5.52 | - |
| - experience adjustments | 2.71 | 5.76 |
| Balance at the end of the year | 98.04 | 59.71 |
| (II) Reconciliation of present value of plan assets | | |
| (a) Balance at the beginning of the year | 54.02 | 42.61 |
| (b) Interest income | 3.94 | 3.10 |
| (c) Employer contributions | 17.73 | 13.92 |
| (d) Benefits paid | (3.26) | (4.55) |
| (e) Return on plan assets recognised in other comprehensive income | (1.24) | (1.06) |
| Balance at the end of the year | 71.19 | 54.02 |
| (III) Net liability recognised in the Balance Sheet | | |
| (a) Present value of defined benefit obligation | (98.04) | (59.71) |
| (b) Fair value of plan assets | 71.19 | 54.02 |
| Net defined benefit obligations in the Balance Sheet | (26.85) | (5.69) |
| (IV) Expense recognised in Statement of Profit and Loss | | |
| (a) Current service costs | 13.51 | 12.34 |
| (b) Interest costs | 4.36 | 2.96 |
| (c) Expected return on plan assets | (3.94) | (3.10) |
| Expense recognised in Statement of Profit and Loss | 13.93 | 12.20 |
| (V) Remeasurements recognised in OCI | | |
| (a) Actuarial loss on defined benefit obligation | 23.72 | 5.97 |
| (b) Return on plan asset excluding interest income | 1.24 | 1.06 |
| Amount recognised in OCI | 24.96 | 7.03 |
| (VI) Plan assets: | | |
| Plan assets comprise the following: | | |
| (a) Invested with Life Insurance Corporation of India | 71.19 | 54.02 |
| | 71.19 | 54.02 |
| (VII) Maturity profile of the defined benefit obligation: | | |
| Expected future payments (undiscounted): | | |
| Not later than 1 year | 9.53 | 1.41 |
| Later than 1 year and not later than 5 years | 39.97 | 4.47 |
| More than 5 years | 150.04 | 260.20 |
| | 199.54 | 266.08 |
| The average duration of the defined plan obligation at the end of the reporting period is 8 years. | | |
| (VIII) Actuarial assumptions | | |
| Principal actuarial assumptions at the reporting date | | |
| (a) Discount rate (%) | 7.10% | 7.28% |
| (b) Future salary growth (%) | 10.00% | 7.00% |
| (c) Attrition rate (%) | 12.00% | 16.00% |
| (d) Retirement age (years) | 60 | 60 |
| (e) Expected average remaining working life of employee (years) | 26.58 | 26 |
| (f) Mortality rate | IALM 2012-2014 Ultimate | IALM 2012-2014 Ultimate |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

Note:

- The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Discount rate is based on the prevailing market yield of the Indian Government securities as at the year end for the estimated term of the obligation.

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| (a) Discount rate (0.50% movement) | (7.35) | 8.43 | (4.88) | 5.47 |
| (b) Future salary growth (0.50% movement) | 8.01 | (7.16) | 5.35 | (4.84) |
| (c) Attrition rate (0.50% movement) | (7.62) | 14.47 | (0.14) | 0.15 |
| (d) Mortality rate (10% movement) | (0.03) | 0.03 | 0.01 | (0.00) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

(X) The Company expects to contribute Rs. 47.44 millions to its gratuity plan for the next year.

(XI) Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Company is exposed to follow risks -

- Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
- Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

41. Employee's share based payment plans

Senco Gold Employee Stock Option Scheme- 2018

During the year ended 31 March 2018, the Company implemented its Employee Stock Option Scheme ('the Plan'). The plan was originally approved by the members of the Company on 24 May 2018 and subsequent amendments were approved on 25 October 2021. The Plan enables grant of stock options to the eligible employees of the Company not exceeding 1,000,000 options, which is 1.79% of the paid-up equity share capital of the Company as on 31 March 2024. Further, the stock options to any single employee under the Plan shall not exceed 1% of the issued capital of the Company, at the time of grant of options, during the tenure of the Plan, subject to compliance with applicable law. The options granted under the Plan have a maximum vesting period of 4 years.

(a) Details of stock options and fair value of stock options granted:

| Particulars | Tranche 2 | Tranche 1 |
|--|---------------------|---------------------|
| Grant Date | 20 July 2022 | 03 February 2022 |
| Vesting date | 20 July 2026 | 03 February 2026 |
| Fair value as on Grant date (Rs. per option) | 350.00 | 331.00 |
| Exercise price (Rs. per option) | 281.58 | 250.00 |
| Method of valuation | Black-Scholes Model | Black-Scholes Model |
| Expected life (years) | 4 | 3 |
| Expected volatility (%) | 54.23% | 56.52% |
| Dividend yield (%) | 15.00% | 15.00% |
| Risk free rate of return (%) | 6.86% | 5.35% |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

41. Employee's share based payment plans *Contd.*

(b) Movement of options:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Balance as at the beginning of the year | 1,62,100 | 1,81,600 |
| Options granted during the year | 95,000 | 9,500 |
| Options exercised during the year | (41,017) | - |
| Options forfeited during the year | - | - |
| Options lapsed during the year | - | (29,000) |
| Balance as at the end of the year | 2,16,083 | 1,62,100 |
| Number of options exercisable at year end | 1,163 | - |
| Weighted average remaining contractual life (years) | 7.84 | 8.84 |

- (c) During the year ended 31 March 2024, the Company has recognised an expense of Rs. 6.16 million (31 March 2023: Rs. 3.51 millions)
- (d) The weighted average share price at the date of exercise of these options was Rs. 92.26.

42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

A. List of related parties and their relationship

| Nature of relation | Name of related parties |
|--|--|
| (i) Entity having control over the Company | Jai Hanuman Shri Siddhivinayak Trust |
| (ii) Entity having significant influence over the Company | SAIF Partners India IV Limited, Mauritius (until 29 February 2024) |
| (iii) Entity on which Company exercises control ("Subsidiaries") | Senco Gold Artisanhip Private Limited Senco Global Jewellery Trading LLC |
| (iv) Key management personnel | Mrs. Ranjana Sen, Director Mr. Suvankar Sen, Managing Director and Chief Executive Officer Mrs. Joita Sen, Director Mr. Vivek Kumar Mathur, Nominee Director (until 29 February 2024) Mr. Shankar Prasad Haldar, Independent Director Mr. Bhaskar Sen, Independent Director Mr. Kumar Shankar Datta, Independent Director Mrs. Suman Varma, Independent Director Mr. Sanjay Banka, Chief Financial Officer Mr. Surendra Gupta, Company Secretary and Compliance Officer |
| (v) Relatives of key management personnel (*) | Mr. Joydeep Majumder Mrs. Kavita Banka Mrs. Tapasi Mullick Mr. Anjana Dutta Mrs. Arpita Mazumdar Mrs. Monisha Mathur Mrs. Shyamali Majumder Mrs. Aparajita Majumder Mrs. Arpita Dey |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures) *Contd.*

| Nature of relation | Name of related parties |
|--|--|
| (vi) Enterprises controlled by key management personnel or their relatives (*) | Mangoe Construction Private Limited |
| | P C Sen Charitable Trust |
| | Senco Gold Limited Employee Group Gratuity Trust Fund |
| | Om Gaan Ganpataye Bajrangbali Trust |
| | Ankurhati Gems And Jewellery Manufacturers Welfare Association |
| | Diamond Prestige Occupants Association |
| | The Gems & Jewellery Export Promotion Council |
| | Race Automobiles Private Limited |
| | Arpita Agro Products Private Limited |
| | Lira Realty Pvt Ltd |

(*) Names of related parties and description of relationship with the Company (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

| Nature of transaction | Transaction value | | Balance outstanding | |
|--|-------------------|-----------------|---------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| B. Transactions with entity having control over the Company | | | | |
| Dividends | 34.44 | 68.87 | - | - |
| | 34.44 | 68.87 | - | - |
| C. Transactions with entity having significant influence over the Company | | | | |
| Dividends | - | 26.63 | - | - |
| | - | 26.63 | - | - |
| D. Transactions with entity on which Company exercises control: | | | | |
| Investment in subsidiaries | 93.08 | 20.00 | 133.08 | 40.00 |
| - Senco Gold Artisanhip Private Limited ('SGAPL') | 25.00 | 20.00 | 65.00 | 40.00 |
| - Senco Global Jewellery Trading LLC ('SGJTL') | 68.08 | - | 68.08 | - |
| Loan given to SGAPL | - | - | - | 28.00 |
| Loan repaid by SGAPL | 28.00 | - | - | - |
| Interest income on loans given to SGAPL | 1.26 | 2.52 | - | 3.65 |
| Expenses incurred on behalf of SGJTL | 2.31 | - | 2.31 | - |
| Expenses incurred on behalf of SGAPL | - | - | - | 0.04 |
| Purchase from SGAPL (inclusive of GST) | 364.23 | 554.99 | - | - |
| Sales to SGAPL (inclusive of GST) | - | 0.13 | - | 0.13 |
| Sales to SGJTL (inclusive of GST) | 260.70 | - | 160.04 | - |
| Job work charges to SGAPL (inclusive of GST) | 50.54 | - | - | - |
| Advance given to SGAPL for procurement of goods | 369.04 | 576.00 | 55.82 | 50.89 |
| Rental income from SGAPL | 0.95 | 0.51 | 0.17 | 0.47 |
| Support services income to SGAPL | 4.20 | 3.19 | 1.22 | 3.13 |
| Others transaction with SGAPL | - | 0.08 | - | 0.08 |
| | 1,174.31 | 1,157.42 | 352.64 | 126.39 |
| E. Transactions with key management personnel: | | | | |
| Short-term employee benefits (#) | 74.95 | 62.19 | 18.96 | 16.26 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures) *Contd.*

| Nature of transaction | Transaction value | | Balance outstanding | |
|--|-------------------|---------------|---------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| Share based payment expenses | 1.66 | 1.02 | 2.94 | 1.28 |
| Rent paid | 2.18 | 1.67 | 0.30 | 0.30 |
| Director sitting fees | 4.61 | 3.13 | 0.01 | - |
| Reimbursement of expenses | 5.24 | 3.90 | - | 1.93 |
| Dividends | 13.41 | 21.13 | - | 15.38 |
| Advances received | 4.97 | 2.41 | 0.40 | 2.07 |
| Advances adjusted towards sale of products | 5.22 | 0.85 | - | - |
| Sale of goods | 10.87 | 6.43 | - | - |
| Purchase of goods | 0.04 | 0.40 | - | - |
| | 123.15 | 103.13 | 22.61 | 37.22 |

(#) Compensation of the key management personnel includes salaries and contribution to post-employment defined benefit plan. It does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Company and individual information in respect of the directors is not available.

| F. Transactions with relatives of key management personnel: | | | | |
|--|---------------|---------------|--------------|--------------|
| Dividends (including amount payable to the legal heir of Late Mr. Sankar Sen) | - | 5.69 | - | - |
| Advances received | 2.10 | 0.08 | 0.35 | 0.01 |
| Sale of goods | 3.51 | 2.76 | - | - |
| Purchase of goods | 2.09 | 0.72 | - | - |
| Rent paid | 1.54 | 1.26 | 0.30 | 0.30 |
| Advances adjusted towards sale of products | 1.75 | 0.07 | - | - |
| Repairs and maintenance | 0.12 | 0.12 | - | - |
| | 11.11 | 10.70 | 0.65 | 0.31 |
| G. Transactions with enterprises controlled by key management personnel or their relatives: | | | | |
| Rent paid | 42.87 | 38.73 | 0.13 | 1.21 |
| Maintenance and licensee fee paid | 14.59 | 12.21 | 11.02 | 8.52 |
| Material purchase | 31.28 | 29.10 | 0.90 | 1.38 |
| Dividend paid | 5.33 | 10.67 | - | - |
| Contribution made towards employee gratuity fund | 17.73 | 13.92 | - | - |
| Contribution made towards CSR expenses | 32.00 | 26.40 | - | - |
| | 143.80 | 131.03 | 12.05 | 11.11 |

Note:

- For personal guarantees given by directors and their relatives, refer note 21.
- There are no material individual transactions that are not in the normal course of business or not on arm's length basis.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

43. Deposits received from customers under jewellery purchase schemes includes provision for discount accrued by the Company amounting to Rs. 65.97 millions (31 March 2023: Rs. 83.51 millions) as per the terms of the respective schemes against which advance has been received from these customers.

44. Operating segments

A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in the business of manufacture and sale of jewellery and other articles of various designs/ specification based on customer's requirements. The Company's manufacturing facilities are located in India and products sold in the domestic and overseas market are manufactured in these facilities. Based on the dominant source and nature of risk and returns of the Company, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has only one business segment, viz., sale of jewellery and other articles.

| Particulars | 31 March 2024 | 31 March 2023 |
|---|------------------|------------------|
| Revenue from external customers | | |
| India (i.e. entity's country of domicile) | 50,418.71 | 40,057.45 |
| Outside India | 1,877.93 | 698.19 |
| Total segment revenue | 52,296.64 | 40,755.64 |

B. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31 March 2024 and 31 March 2023

45. Contingent liabilities and commitments

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (i) Contingent liabilities | | |
| Claims against the Company not acknowledged as debts: | | |
| - Income-tax demands (also refer note (c) below) | 147.15 | 191.62 |
| - Central excise (also refer note (d) below) | 124.16 | 18.65 |
| - Service tax | 21.58 | 21.58 |
| - Goods and Service tax | 5.40 | - |
| | 298.29 | 231.85 |

Notes:

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- (b) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information.
- (c) The above, inter-alia, includes an amount of Rs. 74.56 millions pursuant to a search and seizure operation under section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under section 153A and section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18 on the Company and subsequent demands raised by the Deputy Commissioner of Income-tax on the Company for the said assessment years. The Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against the Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by the Company, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in these Standalone Financial Statement.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

45. Contingent liabilities and commitments *Contd.*

- (d) The above, inter-alia, includes an amount of Rs. 105.51 million (including penalty amounting Rs. 89.57 million) towards excess CENVAT credit availed in the financial year 2016-17. The Company has filed an appeal against the order before CESTAT (Kolkata). Further, the Company does not foresee any material financial liability devolving on the Company in this respect and accordingly, no provision has been made in these Standalone Financial Statement.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (ii) Commitments: | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance) | 90.63 | 173.81 |
| | 90.63 | 173.81 |

46. Corporate social responsibility expenses (“CSR”):

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Act. The Company has created a registered trust for purpose of CSR activities as approved by the CSR committee. The utilisation is done by way of contribution to this trust.

- (a) Gross amount as per the limits of Section 135 of the Companies Act, 2013, required to be spent by the company: Rs. 32.25 millions (31 March 2023: Rs. 26.50 millions)
- (b) Amount approved by the board to be spent during the year:- Rs. 32.25 million (31 March 2023: Rs. 26.50)
- (c) Details of amount spent:

| | Amount paid | Amount accrued | Total |
|--|-------------|----------------|-------|
| Year ended 31 March 2024: | | | |
| Construction/ acquisition of any asset (refer notes below) | - | - | - |
| On purposes other than above | 32.25 | - | 32.25 |
| | 32.25 | - | 32.25 |

| | Amount paid | Amount accrued | Total |
|--|-------------|----------------|-------|
| Year ended 31 March 2023: | | | |
| Construction/ acquisition of any asset (refer notes below) | - | - | - |
| On purposes other than above | 26.50 | - | 26.50 |
| | 26.50 | - | 26.50 |

- (d) The Company has made a contribution of Rs. 32.25 millions for the year ended 31 March 2024 (year ended 31 March 2023: Rs. 26.50 millions) to registered trusts which, inter alia, includes a related party as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- (e) The Company does not have any provisions for corporate social responsibility expenses in the current year.
- (f) The Company does not wish to carry forward any excess amount spent during the year.
- (g) The Company does not have any ongoing projects as at 31 March 2024 (no ongoing projects as at 31 March 2023).

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

47. Dues to micro and small enterprises as per MSMED Act, 2006

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management and the same have been tabulated below:-

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| (a) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year: | | |
| - principal | 182.49 | 197.48 |
| - interest | - | - |
| (b) the amount of interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period; | - | - |
| (c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

48. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| Particulars | Note | Carrying amount | | | | | Fair value | | |
|--|--------------|---|---|-----------|-----------------------|----------|------------|---------|--|
| | | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost | Total carrying amount | Level 1 | Level 2 | Level 3 | |
| As at 31 March 2024 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Investment in equity instruments | 9(a) and (b) | - | 1.45 | 133.08 | 134.53 | - | - | 1.45 | |
| Other financial assets | 10 | - | - | 1,846.13 | 1,846.13 | - | - | - | |
| Trade receivables | 15 | - | - | 644.38 | 644.38 | - | - | - | |
| Cash and cash equivalents | 16 | - | - | 150.35 | 150.35 | - | - | - | |
| Bank balances other than cash and cash equivalents | 17 | - | - | 5,322.96 | 5,322.96 | - | - | - | |
| | | - | 1.45 | 8,096.90 | 8,098.35 | - | - | 1.45 | |
| Financial liabilities | | | | | | | | | |
| Borrowings | 21 | 9,066.98 | - | 5,900.39 | 14,967.37 | 9,066.98 | - | - | |
| Lease liabilities | 22 | - | - | 2,592.80 | 2,592.80 | - | - | - | |
| Other financial liabilities | 23 | 447.56 | - | 252.99 | 700.55 | 447.56 | - | - | |
| Trade payables | 26 | - | - | 1,961.81 | 1,961.81 | - | - | - | |
| | | 9,514.54 | - | 10,707.99 | 20,222.53 | 9,514.54 | - | - | |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

48. Financial instruments - fair values and risk management *Contd.*

| Particulars | Note | Carrying amount | | | | | Fair value | | |
|--|--------------|---|---|----------|-----------------------|----------|------------|---------|--|
| | | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost | Total carrying amount | Level 1 | Level 2 | Level 3 | |
| As at 31 March 2023 | | | | | | | | | |
| Financial assets | | | | | | | | | |
| Investment in equity instruments | 9(a) and (b) | - | 1.27 | 40.00 | 41.27 | - | - | 1.27 | |
| Loans | 18 | - | - | 28.00 | 28.00 | - | - | - | |
| Other financial assets | 10 | - | - | 1,278.99 | 1,278.99 | - | - | - | |
| Trade receivables | 15 | - | - | 454.39 | 454.39 | - | - | - | |
| Cash and cash equivalents | 16 | - | - | 71.43 | 71.43 | - | - | - | |
| Bank balances other than cash and cash equivalents | 17 | - | - | 4,280.90 | 4,280.90 | - | - | - | |
| | | - | 1.27 | 6,153.71 | 6,154.98 | - | - | 1.27 | |
| Financial liabilities | | | | | | | | | |
| Borrowing | 21 | 6,376.09 | - | 5,416.61 | 11,792.70 | 6,376.09 | - | - | |
| Lease liabilities | 22 | - | - | 2,097.53 | 2,097.53 | - | - | - | |
| Other financial liabilities | 23 | 194.01 | - | 316.90 | 510.91 | 194.01 | - | - | |
| Trade payables | 26 | - | - | 1,561.79 | 1,561.79 | - | - | - | |
| | | 6,570.10 | - | 9,392.83 | 15,962.93 | 6,570.10 | - | - | |

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

- The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- Investments in equity instruments, other than in subsidiary Companies are classified as FVOCI. The carrying cost of unquoted equity instrument has been considered as an appropriate estimate of fair value in the current period. There are no such significant unobservable inputs used for the valuation technique.
- In case of Derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.

C. Level 3 fair values - Movement in the values of unquoted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Balance as at the beginning of the year | 1.27 | 0.26 |
| Fair value gain through Other Comprehensive Income: | | |
| - Net change in fair value (unrealised) | 0.18 | 1.01 |
| Balance as at the end of the year | 1.45 | 1.27 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

48. Financial instruments - fair values and risk management *Contd.*

D. Risk management

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Company has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

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

The following tables provide information about the exposure to credit risk to Trade receivables:

| | less than 60 days | from 61 to 90 days | from 91 to 180 days | from 180 to 365 days | more than 365 days | Total |
|---------------------|-------------------|--------------------|---------------------|----------------------|--------------------|--------|
| As at 31 March 2024 | 580.32 | 30.22 | 33.80 | 0.04 | 25.57 | 669.95 |
| As at 31 March 2023 | 281.32 | 37.81 | 102.80 | 32.29 | 25.74 | 479.96 |

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| Particulars | Contractual cashflows | | | | | |
|---|-----------------------|------------------|------------------|---------------|-----------------|-------------------|
| | Carrying amount | Total | Less than 1 year | 1 - 2 years | 2 - 5 years | More than 5 years |
| As on 31 March 2024: | | | | | | |
| Borrowings (including accrued interest) | 14,967.37 | 14,967.37 | 14,955.88 | 4.53 | 6.96 | - |
| Lease liabilities | 2,592.80 | 4,066.47 | 554.28 | 549.07 | 1,502.52 | 1,460.60 |
| Trade payables | 1,961.81 | 4,280.90 | 4,280.90 | - | - | - |
| Other financial liabilities | 700.55 | 700.55 | 700.55 | - | - | - |
| | 20,222.53 | 24,015.29 | 20,491.61 | 553.60 | 1,509.48 | 1,460.60 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

48. Financial instruments – fair values and risk management *Contd.*

| Particulars | Contractual cashflows | | | | | |
|---|-----------------------|------------------|------------------|---------------|-----------------|-------------------|
| | Carrying amount | Total | Less than 1 year | 1 - 2 years | 2 - 5 years | More than 5 years |
| As on 31 March 2023: | | | | | | |
| Borrowings (including accrued interest) | 11,792.70 | 11,792.70 | 11,781.65 | 3.92 | 7.13 | - |
| Lease liabilities | 2,097.53 | 3,406.41 | 447.00 | 420.95 | 1,200.41 | 1,338.05 |
| Trade payables | 1,561.79 | 1,561.79 | 1,561.79 | - | - | - |
| Other financial liabilities | 510.91 | 510.91 | 510.91 | - | - | - |
| | 15,962.93 | 17,271.81 | 14,301.35 | 424.87 | 1,207.54 | 1,338.05 |

(iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

| Particulars | Currency | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------------|---------------|---------------|
| Trade receivables (unhedged) | USD (in millions) | 4.83 | 2.47 |
| | INR | 403.09 | 202.94 |
| Trade Payables (unhedged) | USD (in millions) | 0.00 | - |
| | Pound (in millions) | 0.01 | - |
| | INR | 1.56 | - |

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against US dollars as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars | 31 March 2024 | | 31 March 2023 | |
|-------------------------------------|---------------|---------------------|---------------|---------------------|
| | Profit/(loss) | Equity (net of tax) | Profit/(loss) | Equity (net of tax) |
| INR/USD strengthening [5% movement] | 20.08 | 15.02 | 10.15 | 7.59 |
| INR/USD weakening [5% movement] | (20.08) | (15.02) | (10.15) | (7.59) |

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|------------------|------------------|
| Fixed rate instruments | | |
| Financial assets | 4,147.75 | 3,429.19 |
| Financial liabilities | 14.26 | 17.75 |
| Variable rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 14,953.11 | 11,774.95 |
| | 14,953.11 | 11,774.95 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

48. Financial instruments - fair values and risk management *Contd.*

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---------------|---------------------|---------------|---------------------|
| | Profit/(loss) | Equity (net of tax) | Profit/(loss) | Equity (net of tax) |
| Variable rate instruments - increase by 100 basis points (1%) | 149.53 | 111.90 | 117.75 | 88.11 |
| Variable rate instruments - decrease by 100 basis points (1%) | (149.53) | (111.90) | (117.75) | (88.11) |

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting year was outstanding for the whole year.

E. Hedging activity and derivatives

Fair value hedge of gold price risk in inventory

The Company is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold and inventory of gold lying with the Company. To manage the variability in cash flows, the Company enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at anytime during the tenor of the loan.

The Company designates certain derivatives as hedging instruments in respect of commodity price risk in fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness. The Company assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Company actually uses.

Disclosures of effects of hedge accounting on balance sheet:

| Particulars | Carrying amount of hedge item | | Carrying amount of hedging instrument | | Maturity date | Balance sheet classification | Impact of change in fair value relating to the hedged risk (spot) |
|--|-------------------------------|-------------|---------------------------------------|-------------|------------------------------------|------------------------------|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| As at 31 March 2024 | | | | | | | |
| Hedged item - inventory of gold | 19,719.72 | - | N.A. | N.A. | Range -with in six to nine months | Inventories | 800.17 |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A. | N.A. | - | 9,066.98 | | Current borrowings | 800.17 |
| As at 31 March 2023 | | | | | | | |
| Hedged item - inventory of gold | 15,299.18 | - | N.A. | N.A. | Range - with in six to nine months | Inventories | 642.63 |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A. | N.A. | - | 6,376.09 | | Current borrowings | 642.63 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

49. Ratios disclosed as per requirement of Schedule III to the Act

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (a) Return on equity ratio | | |
| Profit for the year (Numerator) | 1,887.50 | 1,609.13 |
| Average shareholders' equity (Denominator) | 11,630.22 | 8,380.45 |
| Return on equity (%) | 16.23% | 19.20% |
| % Change as compared to the preceeding year | (15.48%) | |
| (b) Return on capital employed | | |
| Earning before interest and taxes (Numerator) | 3,651.11 | 3,046.39 |
| Capital employed (Denominator) | 28,737.45 | 21,283.06 |
| Return on capital employed (pre tax) | 12.71% | 14.31% |
| % Change as compared to the preceeding year | (11.24%) | |
| (c) Current ratio | | |
| [Current assets / Current liabilities] | | |
| Current assets (Numerator) | 32,742.17 | 24,985.55 |
| Current liabilities (Denominator) | 20,950.37 | 17,382.55 |
| Current ratio (times) | 1.56 | 1.44 |
| % Change as compared to the preceeding year | 8.73% | |
| (d) Debt-equity ratio [Total debt / Shareholder's equity] | | |
| Total debt (Numerator) | 14,967.37 | 11,792.70 |
| Shareholder's equity (Denominator) | 13,770.08 | 9,490.36 |
| Debt-equity ratio (times) | 1.09 | 1.24 |
| % Change as compared to the preceeding year | (12.53%) | |
| (e) Debt Service Coverage ratio | | |
| [Earnings available for Debt Service / Debt Service] | | |
| Earnings available for Debt Service (Numerator) | 3,555.56 | 2,926.01 |
| Debt Service (Denominator) | 1,105.03 | 1,070.26 |
| Debt-equity ratio (times) | 3.22 | 2.73 |
| % Change as compared to the preceeding year | 17.69% | |
| (f) Inventory turnover ratio | | |
| [Average Inventory = (Opening balance + Closing balance) / 2] | | |
| Sales for the year (Numerator) | 52,296.64 | 40,755.64 |
| Average inventory (Denominator) | 21,572.71 | 16,332.18 |
| Inventory turnover ratio (times) | 2.42 | 2.50 |
| % Change as compared to the preceeding year | (2.85%) | |
| (g) Trade receivables turnover ratio | | |
| [Average trade receivables = (Opening balance + Closing balance) / 2] | | |
| Revenue from operations (Numerator) | 52,296.64 | 40,755.64 |
| Average trade receivable (Denominator) | 549.39 | 424.88 |
| Trade receivables turnover ratio (times) | 95.19 | 95.92 |
| % Change as compared to the preceeding year | (0.76%) | |
| (h) Trade payables turnover ratio | | |
| [Average trade payables = (Opening balance + Closing balance) / 2] | | |
| Purchase of raw materials and stock-in-trade (Numerator) | 49,849.75 | 39,108.69 |
| Average trade payables (Denominator) | 1,761.80 | 1,367.29 |
| Trade payables turnover ratio (times) | 28.29 | 28.60 |
| % Change as compared to the preceeding year | (1.08%) | |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

49. Ratios disclosed as per requirement of Schedule III to the Act *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (i) Net capital turnover ratio [Working capital is calculated as current assets (-) current liabilities] | | |
| Revenue from operations (Numerator) | 52,296.64 | 40,755.64 |
| Working capital (Denominator) | 11,791.80 | 7,603.00 |
| Net capital turnover ratio (times) | 4.44 | 5.36 |
| % Change as compared to the preceeding year | (17.26%) | |
| (j) Net profit ratio | | |
| Profit for the year (Numerator) | 1,887.50 | 1,609.13 |
| Revenue from operations (Denominator) | 52,296.64 | 40,755.64 |
| Net profit ratio | 3.61% | 3.95% |
| % Change as compared to the preceeding year | (8.59%) | |

Note:

- Since the change in ratios is not more than 25%, requirement to furnish explanations is not applicable per stipulation mentioned in Schedule III to the Act.
- The Company has investments only in the equity shares of subsidiaries and there are no dividends or other returns from the subsidiaries for the current year and previous years hence disclosure of Return on investments ratio is not applicable to the Company.

50. The utilisation of the Company's initial public offer (IPO) proceeds has been summarised below:

(Rs. in millions)

| Objects of the issue as per Prospectus | Utilisation planned as per the Prospectus | Utilisation upto 31 March 2024 | Unutilised amount as on 31 March 2024 |
|---|---|--------------------------------------|---|
| Funding working capital requirements of the Company | 1,960.00 | 1960.00 | - |
| General corporate purpose | 475.11 | 475.11 | - |
| Net Utilisation | 2,435.11 | 2435.11 | - |

51. Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Company is not subject to externally imposed capital requirements. For the purpose of the Company's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The Company monitors capital on the basis of the following gearing ratio.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Total debt (Bank and other borrowings) | 14,967.37 | 11,792.70 |
| Equity (including other equity) | 13,770.08 | 9,490.36 |
| Debt to equity ratio | 1.09:1 | 1.24:1 |

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

52. Details related to borrowings secured against current assets

The Company has given current assets as security for borrowings obtained from banks. The Company duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

| Quarter ended | Particulars | Amount as per books of accounts | Amount as reported in the quarterly return / statement | Amount of difference | Reason for variations |
|---|---------------------|---------------------------------|--|----------------------|-----------------------|
| For the year ended 31 March 2024 | | | | | |
| 31 March 2024 | - Trade receivables | 644.38 | 653.04 | (8.66) | Refer note (a) below. |
| | - Inventories | 24,367.68 | 24,355.04 | 12.64 | Refer note (a) below. |
| 31 December 2023 | - Trade receivables | 608.41 | 608.40 | 0.01 | Refer note (a) below. |
| | - Inventories | 22,680.20 | 22,680.20 | - | |
| 30 September 2023 | - Trade receivables | 670.14 | 670.10 | 0.04 | Refer note (a) below. |
| | - Inventories | 20,503.80 | 20,503.80 | - | |
| 30 June 2023 | - Trade receivables | 554.23 | 554.20 | 0.03 | Refer note (a) below. |
| | - Inventories | 18,203.36 | 18,203.40 | (0.04) | Refer note (a) below. |
| For the year ended 31 March 2023 | | | | | |
| 31 March 2023 | - Trade receivables | 454.39 | 456.80 | (2.41) | Refer note (a) below. |
| | - Inventories | 18,777.73 | 18,777.70 | 0.03 | Refer note (a) below. |
| 31 December 2022 | - Trade receivables | 504.86 | 504.70 | 0.16 | Refer note (a) below. |
| | - Inventories | 17,430.20 | 17,202.90 | 227.30 | Refer note (b) below. |
| 30 September 2022 | - Trade receivables | 540.54 | 541.50 | (0.96) | Refer note (a) below. |
| | - Inventories | 17,165.67 | 17,308.20 | (142.53) | Refer note (b) below. |
| 30 June 2022 | - Trade receivables | 649.04 | 641.00 | 8.04 | Refer note (a) below. |
| | - Inventories | 15,046.73 | 15,069.20 | (22.47) | Refer note (b) below. |

Notes:

- No significant variation.
- Variation is owing to the adjustment of purchase difference on the unfixed gold metal loans recorded on an estimated basis (and not actual basis) and manual adjustment of inventory lying with karigars done while submitting the quarterly statements to the banks.

53. Audit trail:

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2023, has used an accounting software operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Further, the database of the accounting software is operated by a third-party software service provider and the availability of audit trail (edit log) are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information) at the database level. However, at application level the audit trail (edit log) is enabled and operated throughout the year.

54. Other statutory information

- The Company does not have any Benami property, where any proceeding have been initiated or pending against the Company for holding any Benami property.
- The Company does not have any charge or satisfaction of charge, which is yet to be registered with the Registrar of Companies beyond the statutory period.

Notes to the Standalone Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (iii) The Company has not traded or invested in crypto-currency or virtual currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a. 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
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (vii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- (ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (x) The Company does not have any balances with companies struck off under section 248 of Companies Act, 2013.

55. Code of Social Security, 2020

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Company will evaluate the impact and make necessary adjustments to the standalone financial statements in the year when the Code will come into effect.

56. Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to current year's classification. The impact of such reclassification/ regrouping is not material to these financial statements.

This is the notes to the standalone financial statements including a summary of material accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of
Senco Gold Limited

Rajni Mundra
Partner
Membership No.: 058644
Place: Kolkata
Date: 23 May 2024

Suvankar Sen
Managing Director
and Chief Executive Officer
DIN: 01178803
Place: Kolkata
Date: 23 May 2024

Ranjana Sen
Director
DIN: 01226337
Place: Kolkata
Date: 23 May 2024

Surendra Gupta
Company Secretary
and Compliance Officer
Membership No.: A20666
Place: Kolkata
Date: 23 May 2024

Sanjay Banka
Chief Financial Officer
Place: Kolkata
Date: 23 May 2024



**Consolidated
Financial
Statements**

Independent Auditor's Report

To
The Members of
Senco Gold Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Senco Gold limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

5. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter

Existence and valuation of Inventories

The Group's carrying value of the Inventory is Rs. 24,570.19 million as at 31 March 2024 as disclosed in note 15 of the accompanying consolidated financial statements. Refer note 4.10 for the corresponding accounting policy adopted by the Group with respect to the valuation of inventories.

The Holding Company's inventories primarily comprises of jewellery of gold, diamonds, silver etc. The Holding Company values inventories at lower of cost and net realisable value as per Ind AS 2, Inventory.

Inventory is held at various locations across the country and with third-party job workers. With respect to existence of inventory as at year end, there is an inherent risk of loss from theft or possible malafide intent, due to the high intrinsic value and portable nature of individual inventory items.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act 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 together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

How our audit addressed the key audit matter

Our audit work in relation to the existence and valuation of inventory included, but was not limited to, performing the following procedures:

- ◆ Obtained an understanding of the Holding Company's management's process for inventory management and inventory physical verification, recognition and measurement of purchase cost of gold, diamonds and cost of manufactured jewellery items.
- ◆ Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company with respect to such process including controls around safeguarding the high value inventory items.
- ◆ Obtained the records of physical verification and inventory reconciliation performed by the Holding Company's management as at the year end.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>The physical verification of Inventory is performed by the Holding Company's management on a regular basis with the help of their appointed professional gemologists.</p> <p>With respect to valuation of the inventory, the Holding Company categorises the diamonds purchased based on its physical characteristics which are certified by professional gemologists.</p> <p>Considering the complexities involved, portable nature of diamonds, high inherent risk and high level of estimation uncertainty involved in valuation of the inventory, the existence and valuation of inventory has been determined as a key audit matter for the current year audit.</p> | <p>For a sample of locations at which inventory was held as at 31 March 2024, we performed the following procedures:</p> <ol style="list-style-type: none"> a) Attended physical verification of stocks conducted by the Holding Company at / closer to the year end at selected locations. b) Tested and agreed the inventory as per physical verification with the book records, including roll back procedures wherever required. c) Verified the purity (caratage) of the jewellery and performed testing of the calibration certificate of the karat meter used for such verification. d) On sample basis, performed independent test counts to corroborate management counts and valuation based on management categorization with the help of a certified gemologist. <ul style="list-style-type: none"> ◆ Performed surprise inventory counts at select locations on sample basis. ◆ For samples selected using statistical sampling, we have obtained independent confirmations of inventories held by third parties/job workers. ◆ Assessed the appropriateness of accounting policy and inventory valuation methodology adopted by the Holding Company's management. ◆ Evaluated the professional competence and objectivity of the gemologist used by the Holding Company's management. ◆ On a sample basis, tested invoices and other underlying records to validate the costs and characteristics basis which the diamond jewellery inventory is categorized for inventory valuation, and for such samples selected, recomputed diamond valuation basis annual weighted average method. ◆ On a sample basis, tested samples of inventory sold before year-end and subsequent to year-end to corroborate management's assessment of net realisable value of closing inventory balance. ◆ On a sample basis, verified submissions relating to quantity of inventory made by the Company to banks and obtained the reconciliation of the same with the books of accounts. ◆ Evaluated the appropriateness and adequacy of disclosures made in the financial statements in accordance with applicable accounting standards. |

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - ◆ Identify and assess the risks of material misstatement of the consolidated 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 Holding Company has adequate internal financial controls with reference to 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 Board of Directors' 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - ◆ Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in

the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 237.78 million as at 31 March 2024, total revenues of Rs. 306.74 million and net cash inflows amounting to Rs. 33.37 million for

- A) Following are the qualifications reported by us in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date:

| S No | Name | CIN | Holding Company / subsidiary | Clause number of the CARO report which is qualified or adverse |
|------|--|-----------------------|------------------------------|--|
| 1 | Senco Gold Limited | U36911WB1994PLC064637 | Holding Company | 3 (i)(c) |
| 2 | Senco Gold Artisanship Private Limited | U36900WB2020PTC240498 | Subsidiary Company | 3 (i)(c) |
| 3 | Senco Gold Limited | U36911WB1994PLC064637 | Holding Company | 3 (vii)(a) |
| 4 | Senco Gold Artisanship Private Limited | U36900WB2020PTC240498 | Subsidiary Company | 3 (vii)(a) |

18. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Holding Company, whose financial statements have been audited under the Act has paid remuneration to their directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary incorporated in India whose financial statements has been audited under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

financial statements have been kept so far as it appears from our examination of those books except for the effects of the matters described in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- d) in our opinion, the aforesaid consolidated financial statements comply with IndAS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary and taken on record by the Board of Directors of the Holding Company and its subsidiary, respectively, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The modification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b), above on reporting under section 143(3) (b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in note 45 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. a. The respective managements of the Holding Company and its subsidiary, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in note 54 (iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary, to or in any person(s) or entity(ies), including foreign entities ('the 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 Holding Company, or any such subsidiary, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 54 (v) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary, 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
 - c. Based on such audit procedures performed by us, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - iv. The subsidiary company have not declared or paid any dividend during the year ended 31 March 2024.
- The interim dividend declared and paid by the Holding Company during the year ended 31 March 2024 and until the date of this audit report is in compliance with section 123 of the Act.
- As stated in note 39 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- v. As stated in note 53 to the consolidated financial statements and based on our examination which included test checks of the Holding Company and its subsidiary which are companies incorporated in India and audited under the Act, except for the instance mentioned below, the Holding Company, and its subsidiary in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:

| Nature of exception noted | Details of exception |
|---|---|
| Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature. | The accounting software used for maintenance of books of accounts of the Holding Company and its subsidiary is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year of the Holding Company and its subsidiary. |

- vi. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary covered under the Act, during the year ended 31 March 2024;

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rajni Mundra
Partner
Membership No.: 058644
UIDIN: 24058644BKFU9958
Place: Kolkata
Date: 23 May 2024

Annexure A to Independent Auditor’s Report to the members of Senco Gold Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2024

Annexure A

Name of the subsidiary included in the consolidated financial statements:

| Name of the entity | Relationship |
|---------------------------------------|--------------|
| Senco Gold Artisanhip Private Limited | Subsidiary |
| Senco Global Jewellery Trading LLC | Subsidiary |

Annexure B to the Independent Auditor’s Report of even date to the members of Senco Gold Limited on the Consolidated Financial Statements for the year ended 31 March 2024

Independent Auditor’s Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)

- In conjunction with our audit of the consolidated financial statements of Senco Gold Limited (‘the Holding Company’) and its subsidiaries (the Holding Company and its subsidiaries together referred to as ‘the Group’), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

- The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (‘the Guidance Note’) 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 the Company’s business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection

of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

- Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial control with reference to financial statements criteria established by the respective entities considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

UDIN: 24058644BKFUIFK9958

Place: Kolkata

Date: 23 May 2024

Consolidated Balance Sheet as at 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Note | As at 31 March, 2024 | As at 31 March, 2023 |
|--|------|-------------------------|-------------------------|
| ASSETS | | | |
| (1) Non-current assets | 6 | | |
| (a) Property, plant and equipment | 7 | 1,158.24 | 847.02 |
| (b) Capital work-in-progress | 8 | 14.94 | 130.64 |
| (c) Right-of-use assets | 9 | 2,434.08 | 1,926.70 |
| (d) Intangible assets | | 27.54 | 22.95 |
| (e) Financial assets | 10 | | |
| (i) Investments | 11 | 1.45 | 1.27 |
| (ii) Other financial assets | 12 | 303.90 | 559.42 |
| (f) Deferred tax assets (net) | 13 | 228.42 | 179.40 |
| (g) Income-tax assets (net) | 14 | 165.73 | 184.87 |
| (h) Other non-current assets | | 58.55 | 190.90 |
| Total non-current assets | | 4,392.85 | 4,043.17 |
| (2) Current assets | 15 | | |
| (a) Inventories | | 24,570.19 | 18,854.57 |
| (b) Financial assets | 16 | | |
| (i) Trade receivables | 17 | 528.68 | 454.22 |
| (ii) Cash and cash equivalents | 18 | 185.16 | 94.83 |
| (iii) Bank balances other than cash and cash equivalents | 11 | 5,328.46 | 4,280.90 |
| (iv) Other financial assets | 14 | 1,545.83 | 712.60 |
| (c) Other current assets | | 675.41 | 612.90 |
| Total current assets | | 32,833.73 | 25,010.02 |
| TOTAL ASSETS | | 37,226.58 | 29,053.19 |
| EQUITY AND LIABILITIES | | | |
| Equity | 19 | | |
| (a) Equity share capital | 19 | 777.04 | 558.50 |
| (b) Instruments entirely equity in nature | 20 | - | 132.96 |
| (c) Other equity | | 12,878.38 | 8,763.74 |
| Total equity | | 13,655.42 | 9,455.20 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | 21 | | |
| (i) Borrowings | 22 | 10.54 | 14.26 |
| (ii) Lease liabilities | 23 | 2,354.62 | 1,884.02 |
| (iii) Other financial liabilities | 24 | 43.54 | 6.19 |
| (b) Provisions | 25 | 28.05 | 6.32 |
| (c) Other non-current liabilities | | 18.93 | 245.19 |
| Total non-current liabilities | | 2,455.68 | 2,155.98 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | 21 | | |
| (i) Borrowings | 22 | 14,972.85 | 11,778.44 |
| (ii) Lease liabilities | 26 | 273.44 | 213.51 |
| (iii) Trade payables | | | |
| (a) total outstanding dues of micro enterprises and small enterprises | | 183.27 | 197.54 |
| (b) total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,885.54 | 1,419.38 |
| (iv) Other financial liabilities | 23 | | |
| (i) Other financial liabilities | 25 | 687.16 | 509.02 |
| (b) Other current liabilities | 24 | 2,920.72 | 3,148.87 |
| (c) Provisions | 27 | 37.81 | 20.20 |
| (d) Current tax liabilities (net) | | 154.69 | 155.05 |
| Total current liabilities | | 21,115.48 | 17,442.01 |
| Total liabilities | | 23,571.16 | 19,597.99 |
| TOTAL EQUITY AND LIABILITIES | | 37,226.58 | 29,053.19 |

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of

Senco Gold Limited

Suvankar Sen

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

Ranjana Sen

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

Surendra Gupta

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

Consolidated Statement of Profit and Loss for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Note | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|--|------|------------------------------|------------------------------|
| Income | | | |
| I. Revenue from operations | 28 | 52,414.43 | 40,774.04 |
| II. Other income | 29 | 422.40 | 311.36 |
| III. Total income (I + II) | | 52,836.83 | 41,085.40 |
| IV. Expenses | | | |
| Cost of materials consumed | 30 | 38,971.70 | 29,722.19 |
| Purchases of stock-in-trade | 31 | 10,084.14 | 8,460.78 |
| Changes in inventories of finished goods and stock-in-trade | 32 | (4,655.31) | (3,963.63) |
| Employee benefits expense | 33 | 1,112.29 | 933.80 |
| Finance costs | 34 | 1,081.03 | 860.53 |
| Depreciation and amortisation expenses | 35 | 601.09 | 455.53 |
| Other expenses | 36 | 3,146.51 | 2,454.68 |
| Total expenses (IV) | | 50,341.45 | 38,923.88 |
| V. Profit before tax for the year (III - IV) | | 2,495.38 | 2,161.52 |
| VI. Tax expenses | 37 | | |
| Current tax: | | | |
| - Current year | | 728.02 | 634.74 |
| - Pertaining to earlier year(s) | | - | (21.38) |
| Deferred tax credit | | (42.68) | (36.63) |
| Total tax expenses (VI) | | 685.34 | 576.73 |
| VII. Profit after tax for the year (V - VI) | | 1,810.04 | 1,584.79 |
| VIII. Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss: | | | |
| (a) Remeasurement of defined benefit plans | | (25.20) | (6.96) |
| - Income-tax relating to above item | | 6.34 | 1.75 |
| (b) Gain on fair valuation of equity shares | | 0.18 | 1.01 |
| - Income-tax relating to above item | | (0.05) | (0.25) |
| Items that will be reclassified to profit or loss: | | | |
| (a) Foreign currency translation difference | | (1.86) | - |
| - Income-tax relating to above item | | - | - |
| Other comprehensive income for the year (VIII) | | (20.59) | (4.45) |
| IX. Total comprehensive income for the year (VII + VIII) | | 1,789.45 | 1,580.34 |
| X. Profit for the year attributed to: | | | |
| - Owners of the Holding Company | | 1,810.04 | 1,584.79 |
| - Non controlling interest | | - | - |
| | | 1,810.04 | 1,584.79 |
| Other comprehensive income for the year attributable to: | | | |
| - Owners of the Holding Company | | (20.59) | (4.45) |
| - Non controlling interest | | - | - |
| | | (20.59) | (4.45) |
| Total comprehensive income for the year attributable to: | | | |
| - Owners of the Holding Company | | 1,789.45 | 1,580.34 |
| - Non controlling interest | | - | - |
| | | 1,789.45 | 1,580.34 |
| XI. Earnings per equity share (Nominal value per share Rs. 10 each) | | | |
| (a) Basic (Rs.) | 38 | 24.06 | 22.93 |
| (b) Diluted (Rs.) | 38 | 23.98 | 22.87 |

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of

Senco Gold Limited

Suvankar Sen

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

Surendra Gupta

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

Ranjana Sen

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

Consolidated Statement of Cash Flow for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Year ended 31 March, 2024 | Year ended 31 March, 2023 |
|---|------------------------------|------------------------------|
| A Cash flows from operating activities | | |
| Profit before tax | 2,495.38 | 2,161.52 |
| Adjustments for: | | |
| Depreciation and amortisation expenses | 601.09 | 455.53 |
| Assets written off | - | 3.54 |
| Finance costs | 1,081.03 | 860.53 |
| Share based payment expense | 6.16 | 3.51 |
| Unrealised foreign exchange gain | (5.95) | (2.71) |
| Liabilities no longer required, written back | (46.28) | (18.35) |
| Unwinding of interest on security deposits paid | (15.91) | (12.27) |
| Gain on lease modification | (17.03) | (13.05) |
| Allowance for expected credit loss | - | 2.45 |
| Bad debts written off | - | 1.00 |
| Security deposits written off | - | 12.11 |
| Interest income | (248.61) | (152.18) |
| Operating profit before working capital changes | 3,849.88 | 3,301.63 |
| (Increase) / decrease in assets: | | |
| Inventories | (5,715.62) | (4,942.12) |
| Trade receivables | (68.51) | (60.98) |
| Other financial assets | (558.32) | (283.50) |
| Other assets | (68.26) | (316.07) |
| Increase / (decrease) in liabilities: | | |
| Trade payables | 451.89 | 442.69 |
| Other financial liabilities | 280.03 | 76.02 |
| Provisions | 14.14 | 5.87 |
| Other liabilities | (415.90) | 1,586.21 |
| Cash used in operating activities | (2,230.67) | (190.25) |
| Income-taxes paid (net of refunds) | (707.64) | (591.74) |
| Net cash used in operating activities | (2,938.31) | (781.99) |
| B Cash flows from investing activities | | |
| Acquisition of property, plant and equipment (including capital work-in-progress) and intangible assets | (382.33) | (311.09) |
| Interest received | 200.55 | 126.63 |
| Deposits made during the year | (730.62) | (1,905.59) |
| Changes in bank balances other than cash and cash equivalents | (272.36) | 109.75 |
| Net cash used in investing activities | (1,184.76) | (1,980.30) |
| C Cash flows from financing activities | | |
| Proceeds from issue of equity shares | 2,482.27 | 750.00 |
| Dividends paid (net of taxes) | (92.64) | (114.24) |
| Proceeds from non-current borrowings | - | 19.60 |
| Repayment of non-current borrowings | (3.49) | (7.05) |
| Proceeds from current borrowings (net) | 3,215.14 | 3,129.52 |
| Principal repayment of lease liabilities | (312.16) | (204.32) |
| Interest repayment of lease liabilities | (284.77) | (219.01) |
| Finance costs paid | (790.95) | (592.82) |
| Net cash generated from financing activities | 4,213.40 | 2,761.68 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | 90.33 | (0.61) |
| Cash and cash equivalents at the beginning of the year (refer note 17) | 94.83 | 95.44 |
| Cash and cash equivalents at the end of the year (refer note 17) | 185.16 | 94.83 |
| Components of cash and cash equivalent | | |
| Balances with banks in current accounts | 146.12 | 49.42 |
| Fixed deposits with maturity less than 3 months | - | 12.06 |
| Cheques on hand | 6.11 | 1.40 |
| Cash on hand | 32.93 | 31.95 |
| Cash and cash equivalents at the end of the year | 185.16 | 94.83 |

Consolidated Statement of Cash Flow for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (a) The above Statement of Cash Flow has been prepared under the “Indirect Method” as set out in the Ind-AS 7 ‘Statements of Cash Flows’.
 (b) Reconciliation of liabilities from financing activities:

| Particulars | Lease liabilities | Non-current borrowings (including current maturities) | Current borrowings (including accrued interest) | Dividend |
|--|-------------------|---|---|--------------|
| Opening balance as on 01 April 2022 | 1,629.64 | 5.20 | 8,643.35 | 5.13 |
| Add: Non-cash changes due to: | | | | |
| - Recognition of lease liabilities | 672.21 | - | - | - |
| - Interest expense | 219.01 | 0.65 | 628.04 | - |
| - Dividend | - | - | - | 124.49 |
| Add: Cash inflows during the year: | | | | |
| - Proceeds from current borrowings (net) | - | - | 3,135.09 | - |
| Less: Cash outflows during the year: | | | | |
| - Repayment of non-current borrowings | - | - | - | - |
| - Repayment of current borrowings (net) | - | 12.55 | - | - |
| - Repayment of lease liabilities | (204.32) | - | - | - |
| - Interest paid | (219.01) | (0.65) | (628.04) | - |
| - Dividend paid (including tax deducted at source) | - | - | - | (114.24) |
| Opening balance as on 01 April 2023 | 2,097.53 | 17.75 | 11,778.44 | 15.38 |
| Add: Non-cash changes due to: | | | | |
| - Recognition of lease liabilities | 825.66 | - | - | - |
| - Interest expense | 284.77 | 1.04 | 769.18 | - |
| - Dividend | - | - | - | 77.38 |
| Add: Cash inflows during the year: | | | | |
| - Proceeds from current borrowings (net) | - | - | 3,215.14 | - |
| Less: Cash outflows during the year: | | | | |
| - Repayment of non-current borrowings | - | (3.49) | - | - |
| - Repayment of lease liabilities | (312.16) | - | - | - |
| - Interest paid | (284.77) | (1.04) | (789.91) | - |
| - Dividend paid (including tax deducted at source) | - | - | - | (92.64) |
| Closing balance as on 31 March 2024 | 2,611.03 | 14.26 | 14,972.85 | 0.12 |

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Statement of Cash Flow referred to in our report of even date.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Rajni Mundra

Partner

Membership No.: 058644

Place: Kolkata

Date: 23 May 2024

For and on behalf of the Board of Directors of

Senco Gold Limited

Suvankar Sen

Managing Director

and Chief Executive Officer

DIN: 01178803

Place: Kolkata

Date: 23 May 2024

Ranjana Sen

Director

DIN: 01226337

Place: Kolkata

Date: 23 May 2024

Surendra Gupta

Company Secretary

and Compliance Officer

Membership No.: A20666

Place: Kolkata

Date: 23 May 2024

Sanjay Banka

Chief Financial Officer

Place: Kolkata

Date: 23 May 2024

Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

A. Equity share capital (*)

| Particulars | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|-----------------------------|----------------------------------|-------------------------|----------------------------|
| As at 31 March 2024: | | | |
| Equity share capital | 558.50 | 218.54 | 777.04 |
| As at 31 March 2023: | | | |
| Equity share capital | 531.86 | 26.64 | 558.50 |

B. Instruments entirely equity in nature (*)

| Particulars | Balance at the beginning of year | Changes during the year | Balance at the end of year |
|---|----------------------------------|-------------------------|----------------------------|
| As at 31 March 2024: | | | |
| Compulsorily convertible non-cumulative preference shares | 132.96 | (132.96) | - |
| As at 31 March 2023: | | | |
| Compulsorily convertible non-cumulative preference shares | 132.96 | - | 132.96 |

C. Other equity (**)

| Particulars | Reserves and surplus | | | | | Other comprehensive income (OCI) | | Total |
|--|----------------------|-----------------|--|-----------------------------------|-------------------|----------------------------------|---|-----------|
| | Securities premium | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI | Foreign currency translation difference | |
| Balance as at 1 April 2022 | 314.35 | 153.64 | 1.15 | 0.86 | 6,124.60 | 0.25 | - | 6,594.85 |
| Profit for the year (net of taxes) | - | - | - | - | 1,584.79 | - | - | 1,584.79 |
| Other comprehensive income (net of taxes): | | | | | | | | |
| - Remeasurement gain of defined benefit plans | - | - | - | - | (5.21) | - | - | (5.21) |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 0.76 | - | 0.76 |
| Total comprehensive income for the year | 314.35 | 153.64 | 1.15 | 0.86 | 7,704.18 | 1.01 | - | 8,175.19 |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| Security premium received | 723.36 | - | - | 3.51 | - | - | - | 726.87 |
| Payments of dividends (refer note 39) | - | - | - | - | (138.32) | - | - | (138.32) |
| Balance as at 31 March 2023 | 1,037.71 | 153.64 | 1.15 | 4.37 | 7,565.86 | 1.01 | - | 8,763.74 |
| Balance as at 01 April 2023 | 1,037.71 | 153.64 | 1.15 | 4.37 | 7,565.86 | 1.01 | - | 8,763.74 |
| Profit for the year (net of taxes) | - | - | - | - | 1,810.04 | - | - | 1,810.04 |
| Other comprehensive income (net of taxes): | | | | | | | | |
| - Remeasurement gain of defined benefit plans | - | - | - | - | (18.86) | - | - | (18.86) |
| - Remeasurement of Investments in equity instruments measured at fair value through other comprehensive income | - | - | - | - | - | 0.13 | - | 0.13 |
| Total comprehensive income for the year | 1,037.71 | 153.64 | 1.15 | 4.37 | 9,357.04 | 1.14 | - | 10,555.05 |

Consolidated Statement of Changes in Equity for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

| Particulars | Reserves and surplus | | | | | Other comprehensive income (OCI) | | Total |
|---|----------------------|-----------------|--|-----------------------------------|-------------------|----------------------------------|---|------------------|
| | Securities premium | General reserve | Special economic re-investment reserve | Share based payment reserve (***) | Retained earnings | Equity Instruments through OCI | Foreign currency translation difference | |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| - Securities premium received | 2,624.72 | - | - | - | - | - | - | 2,624.72 |
| - Share issue expenses adjustment against premium arising on shares issued | (228.03) | - | - | - | - | - | - | (228.03) |
| - Recognition of share based payment | - | - | - | 6.16 | - | - | - | 6.16 |
| - Fair value loss on translation of financial statements of foreign operation | - | - | - | - | - | - | (1.86) | (1.86) |
| - Payment of dividends (refer note 38) | - | - | - | - | (77.66) | - | - | (77.66) |
| Balance as at 31 March 2024 | 3,434.40 | 153.64 | 1.15 | 10.53 | 9,279.38 | 1.14 | (1.86) | 12,878.38 |

(*) Refer note 19

(**) Refer note 20

(***) Refer note 41

The accompanying notes to the consolidated financial statements including a summary of material accounting policies and explanatory information are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of
Senco Gold Limited

Rajni Mundra
Partner
Membership No.: 058644
Place: Kolkata
Date: 23 May 2024

Suvankar Sen
Managing Director
and Chief Executive Officer
DIN: 01178803
Place: Kolkata
Date: 23 May 2024

Ranjana Sen
Director
DIN: 01226337
Place: Kolkata
Date: 23 May 2024

Surendra Gupta
Company Secretary
and Compliance Officer
Membership No.: A20666
Place: Kolkata
Date: 23 May 2024

Sanjay Banka
Chief Financial Officer
Place: Kolkata
Date: 23 May 2024

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

1. Corporate information

The Consolidated Financial Statements comprise financial statements of Senco Gold Limited (the 'Holding Company') for the year ended 31 March 2024. The Holding Company is a public company domiciled in India, with its registered office situated at 41A Acharya Jagdish Chandra Bose Road, Diamond Prestige, 10th floor, Kolkata, West Bengal - 700017, India. The Holding Company has been incorporated under the provisions of the erstwhile Companies Act, 1956. The Corporate identification number of the Holding Company is L36911WB1994PLC064637. The Group are engaged primarily in the business of manufacturing and trading of jewellery and articles made of gold, silver, diamond, platinum and other precious and semi precious stones.

The Consolidated Financial Statement include the financial statements of the Holding Company and its subsidiaries, as mentioned below:

| Name of the subsidiary | Country of incorporation | Percentage holding |
|---|--------------------------|--|
| Senco Gold Artisanship Private Limited (incorporated on 14 October 2020) | India | 100% with effect from the date of incorporation. |
| Senco Global Jewellery Trading LLC (incorporated on 14 February 2023) | United Arab Emirates | 100% with effect from the date of incorporation. |

2. (a) Application of new and revised Indian Accounting Standards (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the Consolidated Financial Statements are authorised, have been considered in preparing these Consolidated Financial Statements

(b) Application of new accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules, 2015 and as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. Principles of consolidation

Subsidiary

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Consolidated Financial Statements have been prepared in accordance with Ind AS 110 'Consolidated Financial Statements' and on the basis of separate audited financial statements of the Holding Company and its subsidiary.

The Consolidated Financial Information of the Group are combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or loss in accordance with Ind AS 110.

The subsidiary has a consistent reporting date of the balance sheet of the Holding Company.

Non-controlling interests, if any, in the results and equity of subsidiary companies is shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Statement of Asset and Liabilities.

List of subsidiaries company considered in the Consolidated Financial Information:

| Name of the subsidiary | Nature of business | Name of the Holding Company | Country of incorporation | % Holding as at 31 March 2023 | % Holding as at 31 March 2024 |
|---|---|-----------------------------|--------------------------|-------------------------------|-------------------------------|
| Senco Gold Artisanship Private Limited (incorporated on 14 October 2020) | Manufacturing of gold and diamond jewellery | Senco Gold Limited | India | 100% | 100% |
| Senco Global Jewellery Trading LLC (incorporated on 14 February 2023) | Retail sale of gold and diamond jewellery | Senco Gold Limited | UAE | NA | 100% |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies

4.01 Overall consideration

These Consolidated Financial Statements have been prepared on a going concern basis using the significant accounting policies and measurement bases as summarised below.

These accounting policies have been consistently used throughout all the years, presented in the Consolidated Financial Information, unless otherwise stated.

4.02 Statement of compliance

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act (as amended).

The Consolidated Financial Statements were authorised for issue by the Holding Company's Board of Directors on 23 May 2024. Revision, if any, to the financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

4.03 Functional and presentation currency

The Consolidated Financial Information are presented in Indian rupee (Rs.), which is the Group's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise stated.

4.04 Basis of measurement

The Consolidated Financial Information have been prepared on historical cost convention on accrual basis, except for the following items:

| Items | Measurement basis |
|--|---|
| Derivative assets/liabilities | Fair value |
| Certain financial assets and financial liabilities | Fair value |
| Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

4.05 Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then their valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in note 47.

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

4.06 Operating cycle

Based on the nature of operations, the Group has ascertained its operating cycle for the purpose of current and non-current classification of assets and liabilities as 12 months. Operating cycle is the time between the purchase of raw materials for processing or purchase of stock-in-trade and their realisation in cash or cash equivalents.

4.07 Property, plant and equipment and capital work-in-progress

Recognition and measurement

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation

Depreciation in respect of all the assets is provided on written down value method over their useful lives, as estimated by the management. Useful lives so estimated are in line with the useful lives indicated by Schedule II of the Act except for lease hold building and lease hold improvements which have been depreciated over the useful lives of the assets or the period of underlying lease agreement, whichever is lower. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year.

Depreciation method, useful lives and residual values are reviewed at each financial period-end and adjusted if appropriate. Based on the management evaluation the useful lives as given below best represents the period over which management expects to use these assets.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

| Class of assets | Estimated useful life (years) |
|-----------------------|-------------------------------|
| Freehold buildings | 30 years |
| Plant and equipment | 15 years |
| Furniture and fitting | 10 years |
| Office equipment | 5 years |
| Vehicles | 8 years |

Leasehold improvements are amortised over their useful life or lease term, whichever is lower.

Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress also includes assets pending installation and not currently available for intended use.

4.08 Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure

Subsequent expenditures related to an item of intangible assets are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight line method, and is included in depreciation and amortisation in the Consolidated Statement of Profit and Loss.

| Class of assets | Estimated useful life (years) |
|-------------------|-------------------------------|
| Computer software | 5 years |

Amortisation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

4.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The Group recognises financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets that are not at fair value through profit or loss ('FVTPL') are added to the fair value on initial recognition.

Financial liabilities are classified as measured at amortised cost or FVTPL. The fair value of a financial liability at initial recognition is normally the transaction price. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income ('FVOCI').

In accordance with Ind AS 113 'Fair Value Measurement', the fair value of a financial liability with a demand feature is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The Company's financial liabilities include trade payables, other payables and loans and borrowings including bank overdrafts.

(i) Non-derivative financial asset

Subsequent measurement

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- ◆ The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- ◆ Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding."

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amounts are taken through OCI, except for the recognition of impairment gains or losses and interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

Investments in equity instruments of others

These are measured at fair value through other comprehensive income ('FVOCI')

De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

(ii) Non-derivative financial liabilities

Subsequent measurement

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(iv) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its exposures towards fluctuation in gold prices.

Fair value hedge

The Group designates non-derivative financial liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in commodity prices. Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss with an adjustment to the carrying value of the hedged item. The Group has designated the borrowings pertaining to gold taken on loan from banks ('unfixed gold') as a fair value hedge to the corresponding gold inventory purchased on loan.

4.10 Inventories

Raw material - Lower of cost or net realisable value. Cost is determined on weighted average basis. Cost of raw material comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Finished goods - Lower of cost or net realisable value. Cost is determined on weighted average basis, includes direct material and labour expenses and appropriate proportion of manufacturing overheads.

Stock-in-trade - Lower of cost or net realisable value. Cost is determined on weighted average basis and comprises of cost of purchase and other costs incurred in bringing the inventory to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

4.11 Employee benefits

The Group's obligations towards various employee benefits have been recognised as follows:

Post employment benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for employee provident fund to Government administered provident fund scheme, which are defined contribution plans.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

4.12 Revenue recognition

Revenue from sale of goods and rendering of services

Revenue from contracts with customers (including franchisees) includes revenue for sale of goods and provision of services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group determines at contract inception whether each performance obligation will be satisfied (i.e. control will be transferred) over time or at a point in time.

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the term of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the line discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected discounts as per Ind AS 115, payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

No significant element of financing is deemed present as the sales are made with a credit term only given to franchisee customers to an extent of 4 months, which is consistent with market practice. The Group's obligation to replace/ repair jewellery under the standard terms is recognised as contract asset, refer note 14.

Upfront/one time fees/charges received from franchises at the time of entering into such agreement/ contract is recognised as and when earned.

Customer loyalty programme

The Group has a customer loyalty programme for its customers. The Group grants loyalty points to customers as part of a sales transaction and customer referrals which allows them to accumulate and redeem those credit points and adjust them in future. The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

4.13 Leases

Group as a lessee – Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Classification of leases

The Group enters into leasing arrangements for various assets. The assessment of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/purchase etc.

Recognition and initial measurement of right of use assets

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

Subsequent measurement of right of use assets

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liabilities

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments) and variable payments based on an index or rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these short-term leases are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Further, the Group has also elected to apply another practical expedient whereby it has assessed all the rent concessions occurring as a direct consequence of the COVID-19 pandemic, basis the following conditions prescribed under the standard:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before the 30 June 2022 and
- there is no substantive change to other terms and conditions of the lease."

If all the rent concessions meet the above conditions, then, the related rent concession has been recognised in the Consolidated Statement of Profit and Loss.

4.14 Borrowing cost

Borrowing cost includes interest expense as per effective interest rate (EIR). Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

4.15 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

The current income-tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period where the holding company and its subsidiaries operates respectively and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

4.16 Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

4.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

4.18 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

4.19 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial Statement is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Based on such assessment, the Group currently has only one operating segment and two geographical segments viz. Domestic Market and International Market.

4.20 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present (legal or constructive) obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed unless the likelihood of an outflow of resources is remote and there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Contingent assets are disclosed only when inflow of economic benefits therefrom is probable and recognize only when realization of income is virtually certain.

4.21 Accounting judgments, estimates and assumptions

Use of estimates and judgements

The preparation of Consolidated Financial Statement requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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 in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Financial Statement is as under:

Estimates and judgements are continuously evaluated. They are based on historical experience and other factors including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

4. Material accounting policies *Contd.*

Useful lives of property, plant and equipment

The Group uses its technical expert along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

Under the terms of the related agreement, the lease period may be extended at the option of the lessee. Assets constructed on such leasehold properties are depreciated over their useful life or respective lease terms, whichever is lower.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk, credit risk and volatility.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income (supported by reliable evidence) against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities

At each balance sheet date basis the management's judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of leases ('Ind AS 116'). Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

5. Other significant accounting policies

5.01 Current / non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle ;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

5. Other significant accounting policies *Contd.*

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Group's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5.02 Impairment

(i) Impairment of financial instruments: financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

(ii) Impairment of non-financial assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets and group of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

Recoverable amount is higher of an asset's or cash generating unit's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to raise from continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an assets in prior accounting periods may no longer exist or may have decreased.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

5. Other significant accounting policies *Contd.*

5.03 Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

Other long-term employees benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return of their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in profit or loss in the period in which they arise.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences (which includes privilege leave and sick leave) in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Remeasurements gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise. The Group has classified all the compensated absence as current as all liability if arised shall be payable is 12 months.

5.04 Foreign currency

Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statement have been prepared and presented in Indian Rupees (INR), which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

5. Other significant accounting policies *Contd.*

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Consolidated Statement of Profit and Loss in the year in which they arise.

5.05 Recognition of dividend income and interest income

Dividend income is recognised in the Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability."

In calculating interest income, the interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

5.06 Property, plant and equipment and capital work-in-progress

Subsequent expenditure

Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the enterprise and the cost of the item can be measured reliably.

Derecognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

5.07 Accounting judgments, estimates and assumptions

Use of estimates and judgements

Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Share based payment

At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity.

5.08 Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

5.09 Share based payments - Employee Stock Option Scheme (ESOP's)

The fair value of options granted under the employee stock option plan is recognized as an employee benefits expense with a corresponding increase in the equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in the Consolidated Statement of Profit and Loss, with a corresponding adjustment to the equity. Upon exercise of share options, the proceeds received are allocated to the share capital up to the par value of the shares issued with any excess being recorded as securities premium.

5.10 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

6. Property, plant and equipment

| Particulars | Freehold buildings | Leasehold improvements | Plant and equipment | Furniture and fittings | Office equipment | Vehicles | Total |
|------------------------------------|--------------------|------------------------|---------------------|------------------------|------------------|----------|----------|
| Gross block | | | | | | | |
| Balance as at 01 April 2022 | 598.65 | 162.48 | 391.45 | 472.13 | 73.94 | 26.99 | 1,725.64 |
| Additions for the period | 41.88 | 52.15 | 79.24 | 95.94 | 56.43 | - | 325.64 |
| Disposals during the period | - | (16.70) | - | - | - | - | (16.70) |
| Balance as at 31 March 2023 | 640.53 | 197.93 | 470.69 | 568.07 | 130.37 | 26.99 | 2,034.58 |
| Additions for the period | 144.36 | 67.52 | 118.69 | 147.41 | 62.62 | - | 540.60 |
| Deletion during the year | - | - | (8.58) | (3.08) | (0.10) | - | (11.76) |
| Balance as at 31 March 2024 | 784.89 | 265.45 | 580.80 | 712.40 | 192.89 | 26.99 | 2,563.42 |
| Accumulated depreciation | | | | | | | |
| Balance as at 01 April 2022 | 261.56 | 97.33 | 242.21 | 363.04 | 53.13 | 17.37 | 1,034.64 |
| Charge for the period | 30.73 | 11.72 | 45.98 | 52.16 | 23.57 | 1.92 | 166.08 |
| Disposals during the period | - | (13.16) | - | - | - | - | (13.16) |
| Balance as at 31 March 2023 | 292.29 | 95.89 | 288.19 | 415.20 | 76.70 | 19.29 | 1,187.56 |
| Charge for the year | 37.37 | 23.20 | 69.69 | 55.90 | 38.84 | 1.46 | 226.46 |
| Deletion during the year | - | - | (6.07) | (2.68) | (0.09) | - | (8.84) |
| Balance as at 31 March 2024 | 329.66 | 119.09 | 351.81 | 468.42 | 115.45 | 20.75 | 1,405.18 |
| Net block | | | | | | | |
| As at 31 March 2023 | 348.24 | 102.04 | 182.50 | 152.87 | 53.67 | 7.70 | 847.02 |
| As at 31 March 2024 | 455.23 | 146.36 | 228.99 | 243.98 | 77.44 | 6.24 | 1,158.24 |

Notes :

- Contractual obligations: Refer note 45 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 21 for property, plant and equipment pledged as security.
- Title deeds of immovable properties not held in the name of the Group:

| Particulars | Description of the item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter or director | Property held since which date | Reason for not being held in the name of the Company |
|-------------------------------|-------------------------------------|----------------------|----------------------------------|--|--------------------------------|--|
| As at 31 March 2024 | | | | | | |
| Property, plant and equipment | Building | 6.94 | Senco Gold Impex Private Limited | No | 14 March 2007 | Refer note (a) below |
| | Building | 16.57 | Senco Gold Private Limited | No | 06 December 2006 | Refer note (b) below |
| As at 31 March 2023 | | | | | | |
| Property, plant and equipment | Building | 6.94 | Senco Gold Impex Private Limited | No | 14 March 2007 | Refer note (a) below |
| | Building | 16.57 | Senco Gold Private Limited | No | 06 December 2006 | Refer note (b) below |

Notes:

- The said properties were transferred as a result of merger of the above mentioned entities into the Holding Company in the previous years. The management of the Holding Company is in the process of getting the title deeds duly transferred in its name.
- This property is held by the Holding Company in its erstwhile name. The management of the Holding Company is in the process of getting the title deeds duly transferred in its name.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

7. Capital work-in-progress (CWIP)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Balance as at the beginning of the year | 130.64 | 65.14 |
| Addition for the year | 359.92 | 204.36 |
| Capitalised during the year | (475.62) | (138.86) |
| Balance as at the end of the year | 14.94 | 130.64 |

Notes:

(a) CWIP ageing schedule :

| Particulars | Amount of CWIP for a period of: | | | | Total |
|----------------------------|---------------------------------|-----------|-----------|----------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | |
| Retail stores | 14.94 | - | - | - | 14.94 |
| Head office | - | - | - | - | - |
| As at 31 March 2023 | | | | | |
| Retail stores | 97.63 | 0.06 | 0.21 | 18.76 | 116.66 |
| Head office | 13.98 | - | - | - | 13.98 |

(b) CWIP completion schedule for capital work in progress, whose completion is overdue compared to its original plan:

| Particulars | To be completed in: | | | | Total |
|----------------------------|---------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | |
| Retail stores | - | - | - | - | - |
| As at 31 March 2023 | | | | | |
| Retail stores | 19.40 | - | - | - | 19.40 |

(c) There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the current financial year.

(d) There is no project temporarily suspended during the current and previous financial year.

8. Right-of-use assets

| Particulars | Building | Land | Other plant and equipments | Total |
|--------------------------------------|-----------------|---------------|-------------------------------|-----------------|
| Gross block | | | | |
| Balance as at 31 March 2023 | 2,585.71 | 134.63 | 47.16 | 2,767.50 |
| Additions during the year | 974.07 | - | - | 974.07 |
| Deletions during the year | (152.93) | - | - | (152.93) |
| Balance as at 31 March 2024 | 3,406.85 | 134.63 | 47.16 | 3,588.64 |
| Accumulated depreciation | | | | |
| Balance as at 31 March 2023 | 819.28 | 15.83 | 5.69 | 840.80 |
| Charge for the year | 348.17 | 4.12 | 4.89 | 357.18 |
| Deletions during the year | (43.42) | - | - | (43.42) |
| Balance as at 31 March 2024 | 1,124.03 | 19.95 | 10.58 | 1,154.56 |
| Net block as on 31 March 2023 | 1,766.43 | 118.80 | 41.47 | 1,926.70 |
| Net block as on 31 March 2024 | 2,282.82 | 114.68 | 36.58 | 2,434.08 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

8. Right-of-use assets *Contd.*

Notes:

(a) The Group as a lessee has obtained certain assets such as immovable properties on various leasing arrangements for the purposes of setting up of retail stores, work-shops and guest houses. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the balance sheet as a right-to-use asset and a lease liability. Variable lease payment which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right-of-use assets. The Group has presented its right-of-use assets separately from other assets. Each lease generally imposes a restriction that unless there is a contractual right for the Group to sub-lease the asset to another party, the right-of-use asset can only be used by the Group. Some lease contain an option to extend the lease for a further term.

(b) Additional information on extension/ termination options:

Extension and termination options are included in a number of property lease arrangements of the Group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable are based on consent of the Group.

(c) There are no leases which are yet to commence as on 31 March 2024 and 31 March 2023.

(d) Lease payments, not included in measurement of liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------|-----------------------------|-----------------------------|
| Short-term leases | 6.84 | 7.45 |
| Cancellable leases | 48.93 | 45.07 |
| Variable lease payments | 11.49 | 5.44 |
| | 67.26 | 57.96 |

(e) Total undiscounted future lease payments relating to underlying leases are as follows:

| Particulars | Within 1 year | 1-2 years | 2-5 years | More than 5 years | Total |
|----------------------------|---------------|---------------|-----------------|----------------------|-----------------|
| As at 31 March 2024 | | | | | |
| Lease payments | 556.36 | 551.15 | 1,507.71 | 1,466.14 | 4,081.36 |
| | 556.36 | 551.15 | 1,507.71 | 1,466.14 | 4,081.36 |
| As at 31 March 2023 | | | | | |
| Lease payments | 447.00 | 420.95 | 1,200.41 | 1,338.05 | 3,406.41 |
| | 447.00 | 420.95 | 1,200.41 | 1,338.05 | 3,406.41 |

(f) Amount recognised in the Balance Sheet:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------|------------------------|------------------------|
| (i) Right-of-use assets | | |
| - Buildings | 2,282.82 | 1,766.43 |
| - Land | 114.68 | 118.80 |
| - Other plant and equipments | 36.58 | 41.47 |
| | 2,434.08 | 1,926.70 |
| (ii) Lease liabilities | | |
| Non-current | 2,354.62 | 1,884.02 |
| Current | 273.44 | 213.51 |
| | 2,628.06 | 2,097.53 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

8. Right-of-use assets *Contd.*

(g) Amount recognised in the consolidated Statement of Profit and Loss:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (i) Depreciation and amortisation expense | 4.89 | 282.41 |
| (ii) Interest expense (included in finance cost) | 284.77 | 219.01 |
| (iii) Gain on lease modification | 17.03 | 13.05 |

(h) Information about extension and termination options

| Particulars | Number of leases | Range of remaining term (in years) | Average remaining lease term (in years) | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---------------------------|------------------|------------------------------------|---|--|---------------------------------------|--|
| Building premises | 106 | 0.50 to 98 | 7.07 | 106 | - | 106 |
| Other plant and equipment | 5 | 3.42 to 8.01 | 5.29 | 5 | - | 5 |
| Land | 2 | 29 | 29 | - | - | - |

(i) Refer note 22 for lease liabilities and note 34 for finance costs on lease liabilities.

9. Intangible assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------------|------------------------|------------------------|
| Computer software | | |
| Gross block | | |
| At the beginning of the year | 68.98 | 63.58 |
| Additions during the year | 22.22 | 5.40 |
| At the end of the year | 91.20 | 68.98 |
| Accumulated amortisation | | |
| At the beginning of the year | 46.03 | 38.99 |
| Amortisation for the year | 17.63 | 7.04 |
| At the end of the year | 63.66 | 46.03 |
| Net block | 27.54 | 22.95 |

10. Investments

Investment in equity instrument - unquoted

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (a) Others | | |
| (Measured at fair value through other comprehensive income) | | |
| 2,700 shares in Diamond Prestige Occupants Association, fully paid-up (31 March 2023: 2,700 shares) of Rs. 10 each | 1.45 | 1.27 |
| | 1.45 | 1.27 |
| Note : | | |
| Aggregate amount of quoted investments and market value thereof: | - | - |
| Aggregate amount of unquoted investments: | 1.45 | 1.27 |
| Aggregate amount of impairment in value of investments: | - | - |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

11. Other financial assets (Unsecured, considered good)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Security deposits | 117.20 | 328.14 |
| Bank deposits with maturity of more than 12 months [refer note (a) and (b) below] | 186.70 | 231.28 |
| | 303.90 | 559.42 |
| Current | | |
| Security deposits [refer note (c) below] | 961.20 | 52.69 |
| Interest accrued but not due on fixed deposits | 108.95 | 60.89 |
| Margin money with brokers [refer note (c) below] | 464.25 | 593.23 |
| Other receivables | 11.43 | 5.79 |
| | 1,545.83 | 712.60 |

Notes:

- Bank deposits with maturity of more than 12 months includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to Rs. 59.83 millions (31 March 2023: Rs. 149.52 millions).
- Bank deposits with maturity of more than 12 months, inter alia, includes amounts held as margin monies with the banks as fixed deposits balances for security against Gold metal loan amounting to Rs. 98.52 millions (31 March 2023 : Rs. 76.00 millions)
- Inter alia, includes deposits maintained by the Holding Company with brokers comprising time deposits with brokers for hedging contracts which can be withdrawn by the Holding Company at any point without prior notice or penalty on the principal balance.

12. Deferred tax assets (net)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Deferred tax assets arising on account of: | | |
| Property, plant and equipment and other intangible assets | 63.44 | 57.67 |
| Provision for expense allowed for tax purpose on payment basis | 73.42 | 56.76 |
| Provision for employee benefits expense | 14.74 | 11.15 |
| Impact of right-of-use asset and lease liabilities | 107.05 | 79.83 |
| Other financial liabilities | 0.08 | 0.12 |
| Total deferred tax assets | 258.73 | 205.53 |
| Deferred tax liabilities arising on account of: | | |
| Investments at fair value through OCI | (0.36) | (0.32) |
| Loans | (29.76) | (25.62) |
| Other adjustments | (0.19) | (0.19) |
| Total deferred tax liabilities | (30.31) | (26.13) |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

12. Deferred tax assets (net) *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---------------------------|------------------------|------------------------|
| Deferred tax assets (net) | 228.42 | 179.40 |

(a) Movement in deferred tax assets/(liabilities)

| Particulars | Balance as at the beginning of the year | Recognised in the Statement of Profit and Loss | Recognised in Other Comprehensive Income | Balance as at the end of the year |
|--|---|---|---|---|
| Year ended 31 March 2024: | | | | |
| Deferred tax assets arising on account of: | | | | |
| Property, plant and equipment and other intangible assets | 57.67 | 5.77 | - | 63.44 |
| Provision for expense allowed for tax purpose on payment basis | 56.76 | 16.66 | - | 73.42 |
| Provision for employee benefits expense | 11.15 | (2.79) | 6.38 | 14.74 |
| Impact of right-of-use asset and lease liabilities | 79.83 | 27.22 | - | 107.05 |
| Other financial liabilities | 0.12 | (0.04) | - | 0.08 |
| Other adjustments | - | - | - | - |
| Deferred tax liabilities arising on account of: | | | | |
| Investments at fair value through OCI | (0.32) | - | (0.04) | (0.36) |
| Loans | (25.62) | (4.14) | - | (29.76) |
| Other adjustments | (0.19) | - | - | (0.19) |
| | 179.40 | 42.68 | 6.34 | 228.42 |
| Year ended 31 March 2023: | | | | |
| Deferred tax assets arising on account of: | | | | |
| Property, plant and equipment and other intangible assets | 54.16 | 3.51 | - | 57.67 |
| Provision for expense allowed for tax purpose on payment basis | 37.97 | 18.79 | - | 56.76 |
| Provision for employee benefits expense | 9.57 | (0.17) | 1.75 | 11.15 |
| Impact of right-of-use asset and lease liabilities | 60.76 | 19.07 | - | 79.83 |
| Other financial liabilities | (0.02) | 0.14 | - | 0.12 |
| Other adjustments | - | - | - | - |
| Deferred tax liabilities arising on account of: | | | | |
| Investments at fair value through OCI | (0.07) | - | (0.25) | (0.32) |
| Loans | (20.91) | (4.71) | - | (25.62) |
| Other adjustments | (0.19) | - | - | (0.19) |
| | 141.27 | 36.63 | 1.50 | 179.40 |

13. Income-tax assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Prepaid taxes (net of provision for tax of Rs. 2,255.60 millions) (31 March 2023: Rs. 2,276.09 millions) | 165.73 | 184.87 |
| | 165.73 | 184.87 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

14. Other non-current and current assets

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Non-current | | |
| Capital advances | 39.36 | 177.46 |
| Advances other than capital advances: | | |
| - Prepaid expenses | 19.19 | 13.44 |
| | 58.55 | 190.90 |
| Current | | |
| Balance with statutory authorities | 447.28 | 315.28 |
| Prepaid expenses | 87.36 | 82.73 |
| Advance to suppliers | 64.51 | 103.97 |
| Contract assets [refer note (a) below] | 76.26 | 47.77 |
| Initial Public Offer ('IPO') expenses [refer note (b) below] | - | 63.15 |
| | 675.41 | 612.90 |

Note:

- (a) Contract assets represents the amount of goods expected to be received by the Group on account of sales return.
- (b) The Holding Company has during the year successfully completed its initial public offer (IPO) of equity shares, and has incurred certain expenses amounting to Rs. 228.03 millions (31 March 2023: Rs. 63.15 millions) in connection with the said public offer. These IPO related expenses has been adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013.

15. Inventories (Valued at lower of cost and net realizable value)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|----------------|------------------------|------------------------|
| Raw materials | 3,499.82 | 2,439.51 |
| Stock-in-trade | 5,710.70 | 4,423.07 |
| Finished goods | 15,359.67 | 11,991.99 |
| | 24,570.19 | 18,854.57 |

Note:

- (a) Refer note 21 for information on inventories pledged as security by the Group.

16. Trade Receivables

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Considered good - Unsecured | 528.68 | 454.22 |
| Credit impaired | 25.57 | 25.57 |
| | 554.25 | 479.79 |
| Less: Allowances for expected credit loss | (25.57) | (25.57) |
| | 528.68 | 454.22 |

Notes:

- (a) The movement in allowances for credit losses is as follows:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|-------------------------------------|------------------------|------------------------|
| Balance as at beginning of the year | 25.57 | 23.12 |
| Additions during the year | - | 2.45 |
| Balance at the end of the year | 25.57 | 25.57 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

16. Trade Receivables *Contd.*

(b) Trade receivables ageing schedule is as follows:

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|-----------------------------------|--|-------------------|-----------|-----------|-------------------|--------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | | |
| (i) Undisputed trade receivables: | | | | | | |
| - considered good | 528.64 | 0.04 | - | - | - | 528.64 |
| - considered doubtful | - | - | - | - | 2.45 | 2.45 |
| (ii) Disputed trade receivables: | | | | | | |
| - considered good | - | - | - | - | - | - |
| - considered doubtful | - | - | - | - | 23.12 | 23.12 |
| As at 31 March 2023 | | | | | | |
| (i) Undisputed trade receivables: | | | | | | |
| - considered good | 421.93 | 32.29 | - | - | - | 454.22 |
| - considered doubtful | - | - | - | 0.03 | 2.42 | 2.45 |
| (ii) Disputed trade receivables: | | | | | | |
| - considered good | - | - | - | - | - | - |
| - considered doubtful | - | - | - | - | 23.12 | 23.12 |

(c) Refer note 47 for information about credit risk and market risk of trade receivables.

(d) There are no outstanding debts due from directors or other officers of the Group.

(e) Refer note 21 for information on trade receivables pledged as security by the Group.

17. Cash and cash equivalents

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Balances with banks in current accounts (*) | 146.12 | 49.42 |
| Fixed deposits with maturity less than 3 months | - | 12.06 |
| Cheques on hand | 6.11 | 1.40 |
| Cash on hand | 32.93 | 31.95 |
| | 185.16 | 94.83 |

(*) The balance in current account, inter alia, includes funds in transit primarily for credit card and online receipts, yet to be credited to the Group amounting to Rs. 42.25 millions. (31 March 2023 :Rs. 20.44 millions).

18. Bank balances other than cash and cash equivalents

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Bank deposits held as margin money and earmarked against other commitments [refer note (a) and (b) below] | 3,961.05 | 3,185.85 |
| Balances with banks in current accounts [refer note (c) and (d) below] | 1,367.41 | 1,095.05 |
| | 5,328.46 | 4,280.90 |

Notes:

(a) Inter alia, includes deposits maintained for the jewellery purchase schemes for compliance with the Companies (Acceptance of Deposit) Rules, 2014 as per the Companies Act 2013, as amended, amounting to Rs. 316.72 millions. (31 March 2023 : Rs. 23.50 millions)

(b) Inter alia, includes amounts held as margin monies with the banks as fixed deposit balances for security against gold metal loan amounting to Rs. 2,222.04 millions. (31 March 2023 : Rs. 1,855.00 millions)

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

18. Bank balances other than cash and cash equivalents *Contd.*

- (c) Inter alia, includes amounts held as margin monies with the banks as security amounting to Rs. 1121.51 millions. (31 March 2023 : Rs. 1,079.68 millions)
- (d) Inter alia, includes amounts held in unpaid dividend account with the banks amounting to Rs. 0.12 millions. (31 March 2023 : Rs. 15.37 millions)

19. Share capital

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Authorised | | |
| 100,000,000 equity shares of Rs. 10 each | 1,000.00 | 1,000.00 |
| 14,000,000 0.01% compulsorily convertible non-cumulative preference shares of Rs. 10 each | 140.00 | 140.00 |
| | 1,140.00 | 1,140.00 |
| Issued, subscribed and paid up | | |
| 77,704,173 equity shares (31 March 2023 : 55,849,653 equity shares) of Rs. 10 each | 777.04 | 558.50 |
| Nil 0.01% compulsorily convertible non-cumulative preference shares (31 March 2023: 13,296,153 equity shares) of Rs. 10 each | - | 132.96 |
| | 777.04 | 691.46 |

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|--------------------|---------------|--------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| Balance as at the beginning of the year | 5,58,49,653 | 558.50 | 5,31,86,112 | 531.86 |
| Add: Compulsorily convertible non-cumulative preference shares converted during the year | 1,32,96,153 | 132.96 | 26,63,541 | 26.64 |
| Add: Shares issued during the year | 85,17,350 | 85.17 | - | - |
| Add: Shares issued during the year for ESOP | 41,017 | 0.41 | - | - |
| Balance as at the end of the year | 7,77,04,173 | 777.04 | 5,58,49,653 | 558.50 |
| Instruments entirely equity in nature | | | | |
| 0.01% compulsorily convertible non-cumulative preference shares | | | | |
| Balance as at the beginning of the year | 1,32,96,153 | 132.96 | 1,32,96,153 | 132.96 |
| Less: Compulsorily convertible non-cumulative preference shares converted during the year | (1,32,96,153) | (132.96) | - | - |
| Balance as at the end of the year | - | - | 1,32,96,153 | 132.96 |

(b) Terms and rights attached to shares

Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares having face value of Rs. 10/- each. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

19. Share capital *Contd.*

Rights, preferences and restrictions attached to compulsorily convertible non-cumulative preference shares

Compulsorily convertible non-cumulative preference shares were issued at par on 8 October 2014 and each share was convertible into one equity share of par value Rs. 10 at any time on or after 8 October 2014 but not later than 7 October 2034. The Board of Directors of the Holding Company had the power to decide the appropriate mechanism for transfer/buy back of these shares, in case the same was exercised by the holder of such preference shares. The holders of these shares were entitled to a non-cumulative dividend of 0.01% of the face value of the preference shares. The holders of the preference shares were also entitled to participate in dividend and capital distributed by the Holding Company over and above the preference dividend on as-if converted basis pari passu with the holders of the equity shares of the Holding Company.

Preference shares carried a preferential right as to dividend over equity shareholders. Where dividend on preference shares was not declared for a financial year, the entitlement thereto in the case of non-cumulative preference shares for that year lapses. The preference shares were entitled to one vote per share at meetings of the Holding Company on any resolutions of the Holding Company directly affecting their rights as mentioned in their shareholder agreement. In the event of liquidation, preference shareholders had a preferential right over equity shareholders to be repaid to the extent of capital paid-up on such shares.

During the current year, this compulsorily convertible non-cumulative preference shares have been converted to equity share capital.

(c) Particulars of shareholders holding more than 5% shares of a class of shares

| Particulars | 31 March 2024 | | 31 March 2023 | |
|--|--------------------|-------------------|--------------------|-------------------|
| | Number of shares | % of shareholding | Number of shares | % of shareholding |
| (i) Equity shares | | | | |
| Equity shares of Rs. 10 each fully paid up, held by: | | | | |
| Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen, Mrs. Joita Sen) | 3,44,36,529 | 44.32% | 3,44,36,529 | 61.66% |
| Mr. Suvankar Sen | 1,18,90,968 | 15.30% | 1,18,90,968 | 21.29% |
| Saif Partners India IV Limited, Mauritius (*) | 83,68,252 | 10.77% | 300 | - |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246 | 6.86% | 53,34,246 | 9.55% |
| | 6,00,29,995 | 77.25% | 5,16,62,043 | 92.50% |
| (*) Less than 5% in the previous financial year 2022-23 | | | | |
| (ii) Instruments entirely equity in nature | | | | |
| 0.01% compulsorily convertible non-cumulative preference shares | - | - | 1,32,96,153 | 100.00% |
| Saif Partners India IV Limited, Mauritius | - | - | 1,32,96,153 | 100.00% |

(d) Shareholding of promoters are as follows:

| Particulars | No. of shares | % of total shares | % change during the year |
|--|---------------|-------------------|--------------------------|
| As at 31 March 2024 | | | |
| Jai Hanuman Shri Siddhivinayak Trust (Trustees - Mr. Suvankar Sen, Mrs. Joita Sen) | 3,44,36,529 | 44.32% | (17.34%) |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246 | 6.86% | (2.69%) |
| Mr. Suvankar Sen | 1,18,90,968 | 15.30% | (5.99%) |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

19. Share capital *Contd.*

| Particulars | No. of shares | % of total shares | % change during the year |
|--|---------------|-------------------|--------------------------|
| As at 31 March 2023 | | | |
| Jai Hanuman Shri Siddhivinayak Trust {Trustees - Mr. Suvankar Sen, Mrs. Joita Sen} [with effect from (w.e.f.) 14 April 2021] and late Mr. Sankar Sen (upto 28 July 2020)} | 3,44,36,529 | 61.66% | - |
| Om Gaan Ganpataye Bajrangbali Trust (Trustees - Mr. Suvankar Sen and Mrs. Ranjana Sen) | 53,34,246 | 9.55% | - |
| Mr. Suvankar Sen | 1,18,90,968 | 21.29% | - |

(e) Equity shares reserved for issue under options and contracts/ commitments for sale of share/ disinvestment:

| Particulars | Number | Amount |
|--|-------------|--------|
| As at 31 March 2024: | | |
| - Employee's share based payments plan (refer note 41) | 2,16,083 | 2.16 |
| As at 31 March 2023: | | |
| - Compulsorily convertible non-cumulative preference shares [refer note (b) above] | 1,32,96,153 | 132.96 |
| - Employee's share based payments plan (refer note 41) | 1,62,100 | 1.62 |

(f) Ordinary shares allotted as fully paid pursuant to contract without payment being received in cash during the period of immediately preceding five years: Nil

(g) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared aggregate number and class of shares allotted as fully paid-up by way of bonus shares:

| Particulars | Number | Amount |
|--|-------------|--------|
| Year ended 31 March 2019 | | |
| - Equity shares (refer note below) | 3,54,57,408 | 354.57 |
| - 0.01% compulsorily convertible non-cumulative preference shares [refer note below] | 88,64,102 | 88.64 |

(h) aggregate number and class of shares bought back during the year of immediately preceding five years: Nil

(i) The Company completed the Initial Public Offer ('IPO') its equity shares during the year ended March 2024 and listed its shares on Bombay Stock Exchange and National Stock Exchange on 14 July 2023. Pursuant to IPO, the Company had allotted 85,17,350 fresh equity shares of Rs. 10 each to public at a premium of Rs. 307 per equity share on 14 July 2023. The total share premium arising on IPO amounting to Rs. 228.03 millions had been accounted under securities premium reserve.

Note:

The Board of Directors of the Holding Company at its meeting held on 3 March 2018 had recommended issue of bonus shares, subject to the approval of shareholders in their ensuing general meeting, in the ratio of two equity shares of Rs. 10 each for every one equity share of Rs. 10 each and two compulsorily convertible non-cumulative preference shares of Rs. 10 each for every one compulsorily convertible non-cumulative preference share of Rs. 10 each of the Holding Company as held by the shareholders as on the record date. The issue of bonus shares was approved by the shareholders of the Holding Company in the Extra Ordinary General Meeting held on 28 March 2018, by way of special resolution, and accordingly, the Holding has allotted 3,54,57,408 equity shares of Rs. 10 each and 8,864,102 compulsorily convertible non-cumulative preference shares of Rs. 10 each on 6 May 2018 to their shareholders.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

20. Other Equity

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Reserves and surplus | | |
| Securities premium | 3,434.40 | 1,037.71 |
| General reserve | 153.64 | 153.64 |
| Share based payment reserve | 10.53 | 4.37 |
| Special economic re-investment reserve | 1.15 | 1.15 |
| Retained earnings | 9,279.38 | 7,565.86 |
| Other comprehensive income | | |
| Foreign Currency Translation Reserve | (1.86) | - |
| Equity instruments through other comprehensive income ('OCI') | 1.14 | 1.01 |
| | 12,878.38 | 8,763.74 |

The description, nature and purpose of each reserve within other equity are as follows:

- Security premium:** Security premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Companies Act, 2013.
- General reserve:** The Group had transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the erstwhile provisions of the Companies Act, 1956. Consequent to the introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of net profit to general reserve.
- Share based payment reserve:** This represents the fair value of the stock options granted by the Group, accumulated over the vesting period. The reserve will be utilised on exercise of the options.
- Special economic re-investment reserve:** It has been created for the purpose of acquiring machinery or plant which is put to use before the expiry of three years following the previous year in which the reserve was created.
- Retained earnings:** Retained earnings represents the profits earned by the Group till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- Equity instruments through OCI:** The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity.
- Foreign currency translation reserve:** Represents the cumulative difference on translation of foreign operations.

21. Borrowings

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Secured Loans : | | |
| Term loan (unsecured) | 14.26 | 17.75 |
| | 14.26 | 17.75 |
| Less: Current maturities of term loans | 3.72 | 3.49 |
| | 10.54 | 14.26 |
| Current | | |
| Loans repayable on demand from banks: | | |
| - Cash credit facilities (secured) [refer note (a) below] | 1,675.72 | 2,248.04 |
| - Short term demand loan (secured) [refer note (b) below] | 4,202.58 | 3,129.86 |
| Other loans from banks: | | |
| - Gold metal loans (secured) [refer note (c) below] | 9,066.98 | 6,376.09 |
| Current maturities of non-current borrowings:- Term loan | 3.72 | 3.49 |
| Interest accrued on borrowings | 23.85 | 20.96 |
| | 14,972.85 | 11,778.44 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

Notes:

- (a) Cash credit facilities from banks carry interest ranging between 8.75% p.a. - 11.65% p.a. (31 March 2023 : 8.00% p.a. - 11.50% p.a.), computed on a daily basis on the actual amount utilised, and are repayable on demand. These are secured by way of hypothecation of the Holding Company's entire inventories and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, pertaining to all shops and showrooms of the Holding Company, entire property, plant and equipments, present and future, except for land and building not provided as collateral in a form and manner satisfactory to the bank. The loan is also secured by the unconditional and irrevocable personal guarantees given by Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- (b) Short-term demand loan (working capital demand loan) has been availed from Banks for financing of the working capital requirement for a period of 60 - 90 days. The rate of interest on the facilities is ranging between 9.00% p.a. - 12.05% p.a. (31 March 2023: 7.50% p.a. - 11.40% p.a.) fixed and shall be payable at monthly rests on the 1st day of the subsequent month/maturity, wherever applicable. The facility is secured against personal guarantees of Mrs. Joita Sen (Director) and Mr. Suvankar Sen (Managing Director and Chief Executive Officer).
- (c) Gold metal loans carry interest ranging between 2.25% p.a. - 4.25% p.a. (31 March 2023: 2.75% p.a. - 4.25% p.a.), calculated on the quantum of ounce outstanding. These are repayable within 270 days, if the end use of bullion is for export purposes and within 180 days if the end use of bullion is for domestic purposes. These loans are secured by standby letter of credits provided by the issuing bank to the bullion bank, earmarked cash credit limits, fixed deposits and margin account balances with an excess value of margin money of 1% - 12%.
- (d) There has been no default in repayment of principal amount or interest thereon during the current and previous financial year.

22. Lease liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|----------------------------------|------------------------|------------------------|
| Non-current | | |
| Lease obligations (refer note 8) | 2,354.62 | 1,884.02 |
| | 2,354.62 | 1,884.02 |
| Current | | |
| Lease obligations (refer note 8) | 273.44 | 213.51 |
| | 273.44 | 213.51 |

23. Other financial liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Non - current | | |
| Security deposits | 43.54 | 6.19 |
| | 43.54 | 6.19 |
| Current | | |
| Creditor for capital goods | 24.07 | 97.20 |
| Accrued salaries and benefits | 99.10 | 141.61 |
| Unpaid dividends (*) | 0.12 | 15.38 |
| Mark to market loss on gold future contracts | 447.56 | 194.01 |
| Accrued expenses (#) | 116.31 | 60.82 |
| | 687.16 | 509.02 |

(*) These are not yet due for credit into the Investor Education and Protection Fund, in accordance with Section 124 of the Act, as at the year end.

(#) These are not yet due as on the reporting date.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

24. Provisions

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Provision for employee benefits: | | |
| Gratuity (refer note 40) | 28.05 | 6.32 |
| | 28.05 | 6.32 |
| Current | | |
| Provision for employee benefits: | | |
| Compensated absences | 37.81 | 20.20 |
| | 37.81 | 20.20 |

25. Other liabilities

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Non - current | | |
| Deferred income | 18.93 | 1.76 |
| Deposits received from customers under jewellery purchase schemes | - | 243.43 |
| | 18.93 | 245.19 |
| Current | | |
| Advance from customers | 955.31 | 964.74 |
| Deposits received from customers under jewellery purchase schemes | 1,629.89 | 1,919.38 |
| Liability towards customer loyalty program | 224.60 | 189.36 |
| Statutory dues payable | 22.97 | 22.61 |
| Deferred income | 5.42 | 0.54 |
| Contract liability (*) | 82.53 | 52.24 |
| | 2,920.72 | 3,148.87 |

Note:

(*) Contract liability represents the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as at the end of the reporting period. Thus, it represents the value of sales the Group estimates to be returned on account of sales return.

26. Trade payables

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises | 183.27 | 197.54 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| - Acceptances (*) | 421.63 | 250.51 |
| - Other than acceptances | 1,463.91 | 1,168.87 |
| | 2,068.81 | 1,616.92 |

Note:

(*) The Group enters into deferred payment arrangements (acceptances) wherein dues to micro, small and medium enterprises ('MSME') are paid by banks, which is subsequently settled by the Group at a later date. Interest borne on such arrangements is accounted for as finance cost.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

(a) Trade payables ageing:

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|----------------------------|--|--------------|-------------|-------------------|-----------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2024 | | | | | |
| (i) MSME | 183.27 | - | - | - | 183.27 |
| (ii) Others | 1,866.68 | 15.93 | 0.74 | 2.19 | 1,885.54 |
| (iii) Disputed dues- MSME | - | - | - | - | - |
| (iv) Disputed dues- others | - | - | - | - | - |
| | 2,049.95 | 15.93 | 0.74 | 2.19 | 2,068.81 |
| As at 31 March 2023 | | | | | |
| (i) MSME | 197.54 | - | - | - | 197.54 |
| (ii) Others | 1,409.17 | 2.61 | 1.64 | 5.96 | 1,419.38 |
| (iii) Disputed dues- MSME | - | - | - | - | - |
| (iv) Disputed dues- others | - | - | - | - | - |
| | 1,606.71 | 2.61 | 1.64 | 5.96 | 1,616.92 |

27. Current tax liabilities (net)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| Provision for tax (net of advance tax and taxes deducted at source of Rs. 2,339.18 millions) (31 March 2023: Rs. 1,626.91 millions) | 154.69 | 155.05 |
| | 154.69 | 155.05 |

28. Revenue from operations

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------|-----------------------------|-----------------------------|
| Sale of products | 52316.89 | 40697.48 |
| Other operating revenue: | | |
| - Franchisee fees | 97.54 | 76.56 |
| | 52,414.43 | 40,774.04 |

Disclosures pursuant to Ind AS 115 - Revenue from contract with customers, are as follows:

(a) Revenue streams

The Company generates revenue primarily from the sale of jewellery and other articles. Other sources of revenue includes income from franchisee fees.

(b) Disaggregation of revenue from contracts with customers

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by product lines, timing of revenue recognition and geography:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| A. Revenue by product lines and others: | | |
| Gold jewellery | 44,611.47 | 34,806.65 |
| Diamond jewellery (Including gold, platinum and other components on the jewellery) | 5,731.50 | 4,220.56 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

28. Revenue from operations *Contd.*

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Platinum jewellery | 1,234.43 | 1,060.36 |
| Silver jewellery and articles | 481.21 | 390.39 |
| Precious/semi precious stones | 137.75 | 121.04 |
| Fashion jewellery | 118.13 | 96.63 |
| Novelty and accessories | 2.40 | 1.85 |
| Franchisee fees | 97.54 | 76.56 |
| | 52,414.43 | 40,774.04 |
| B. Revenue by timing of revenue recognition: | | |
| Goods transferred at a point in time when performance obligation is satisfied | 52,414.43 | 40,774.04 |
| Revenue as per operating segment (refer note 44) | 52,414.43 | 40,774.04 |
| C. Revenue by geography: | | |
| Domestic | 50,335.36 | 40,075.85 |
| Outside India | 2,079.07 | 698.19 |
| Revenue as per operating segment (refer note 44) | 52,414.43 | 40,774.04 |

D. Contract balance

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers:

| Particulars | Note | As at 31 March 2024 | As at 31 March 2023 |
|--|------|------------------------|------------------------|
| Receivables, which are included in 'trade receivables' (net of provision) | 16 | 528.68 | 454.22 |
| Contract assets | 14 | 76.26 | 47.77 |
| Contract liabilities (includes order advances, liability towards customer loyalty program and deposits received from customers under jewellery purchase schemes) | 25 | 2,892.33 | 3,369.15 |

E. Reconciliation of revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price:

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Sale of products | 54,038.81 | 41,969.57 |
| Less: Variable consideration (discounts, etc.) | 1,721.92 | 1,272.09 |
| Total sale of products | 52,316.89 | 40,697.48 |

29. Other income

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Interest income on bank deposits | 234.98 | 122.22 |
| Interest income on financial assets measured at amortised cost | 13.57 | 29.96 |
| Net gain on foreign currency transactions and translations | 21.85 | 20.08 |
| Liabilities no longer required, written back | 46.28 | 18.35 |
| Unwinding of discount on financial assets | 15.91 | 12.27 |
| Gain on lease modification | 17.03 | 13.05 |
| Profit from disposal of property, plant and equipment (net) | 0.24 | - |
| Interest on income tax refund | 4.94 | - |
| Ineffective portion of change in fair value of metals | 53.27 | 94.50 |
| Others | 14.33 | 0.93 |
| | 422.40 | 311.36 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

30. Cost of materials consumed

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Inventory of raw materials at the beginning of the year | 2,439.51 | 1,461.02 |
| Add: Purchases during the year | 40,032.01 | 30,700.68 |
| Less: Inventory of raw materials at the end of the year | 3,499.82 | 2,439.51 |
| | 38,971.70 | 29,722.19 |

31. Purchases of stock-in-trade

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-----------------------------|-----------------------------|-----------------------------|
| Purchases of stock-in-trade | 10,084.14 | 8,460.78 |
| | 10,084.14 | 8,460.78 |

32. Changes in inventories of finished goods and stock-in-trade

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--------------------------------|-----------------------------|-----------------------------|
| Opening stock | | |
| - Finished goods | 11,991.99 | 9,701.83 |
| - Stock-in-trade | 4,423.07 | 2,749.60 |
| | 16,415.06 | 12,451.43 |
| Less: Closing stock | | |
| - Finished goods | 15,359.67 | 11,991.99 |
| - Stock-in-trade | 5,710.70 | 4,423.07 |
| | 21,070.37 | 16,415.06 |
| Increase in inventories | (4,655.31) | (3,963.63) |

33. Employee benefits expense

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Salaries and wages | 972.33 | 829.62 |
| Contribution to provident and other funds (refer note 40) | 79.46 | 60.98 |
| Share based payment expenses (refer note 41) | 6.16 | 3.51 |
| Staff welfare expenses | 54.34 | 39.69 |
| | 1,112.29 | 933.80 |

34. Finance costs

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interest expense on financial liabilities: | | |
| - on working capital loans and term loans | 459.57 | 378.55 |
| - on gold metal loans | 213.13 | 163.46 |
| - unwinding of discount on security deposits | 2.63 | 0.44 |
| Interest on lease liabilities (refer note 8) | 284.77 | 219.01 |
| Interest on income-tax | 8.20 | 12.83 |
| Other borrowing costs | 112.73 | 86.24 |
| | 1,081.03 | 860.53 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

35. Depreciation and amortisation expense

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment (refer note 6) | 226.46 | 166.08 |
| Depreciation of right-of-use assets (refer note 8) | 357.00 | 282.41 |
| Amortisation of intangible assets (refer note 9) | 17.63 | 7.04 |
| | 601.09 | 455.53 |

36. Other expenses

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Advertising and sales promotion | 1,033.73 | 810.36 |
| Assets written off | | 3.54 |
| Job work charges | 847.37 | 651.96 |
| Packing materials consumed | 49.02 | 44.47 |
| Rent [refer note 8(d)] | 67.26 | 57.96 |
| Repairs and maintenance: | | |
| - plant and equipments | 17.49 | 15.01 |
| - buildings | 20.70 | 19.16 |
| - others | 149.12 | 170.86 |
| Travelling expenses | 53.02 | 30.48 |
| Electricity charges | 93.17 | 70.75 |
| Legal and professional | 193.22 | 52.51 |
| Brokerage and commission | 30.02 | 10.59 |
| Bank charges | 130.18 | 121.50 |
| Insurance | 55.75 | 35.22 |
| Fair value loss on commodity hedging contracts | | 54.06 |
| Rates and taxes | 86.69 | 88.69 |
| Payment to auditors [refer note (a) below] | 7.84 | 4.34 |
| Corporate social responsibility expenses (refer note 46) | 32.25 | 26.50 |
| Allowance for expected credit loss | - | 2.45 |
| Bad debt written off | - | 1.00 |
| Security expenses | 224.51 | 124.74 |
| Security deposit written off | - | 12.11 |
| Miscellaneous expenses | 55.17 | 46.42 |
| | 3,146.51 | 2,454.68 |

Note:

(a) Payments to auditors (excluding applicable taxes) (*)

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------------------|-----------------------------|-----------------------------|
| (i) Auditor | 6.85 | 3.50 |
| (ii) For other services | 0.85 | 0.65 |
| (iii) For reimbursement of services | 0.14 | 0.19 |
| | 7.84 | 4.34 |

(*)During the year Rs. 2.18 million (31 March 2023: Rs. 10.16 million) has been paid to the auditor in reference to the initial public offer related work, inter alia, including fees for special purpose audits, audit of restated consolidated financial information and certain other certifications of the Holding Company. These IPO related expenses has been adjusted against the securities premium to the extent permissible under Section 52 of the Companies Act, 2013.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

37. Tax expenses

A. Tax expense recognised in the Consolidated Statement of Profit and Loss:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Current tax: | | |
| - Current year | 728.02 | 634.74 |
| - Pertaining to earlier years | - | (21.38) |
| Deferred tax credit | (42.68) | (36.63) |
| | 685.63 | 576.73 |

B. The major component of the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in the Consolidated Statement of Profit and Loss are as follows:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Profit before tax | 2,495.38 | 2,161.52 |
| Enacted tax rates in India (%) | 25.17% | 25.17% |
| Computed tax expense | 628.04 | 544.01 |
| Effect of non-deductible expenses | 57.30 | 54.10 |
| Prior year taxes | - | (21.38) |
| Total tax expense as per the Statement of Profit and Loss | 685.34 | 576.73 |

C. The following tables provides the details of income-tax assets and current tax liabilities:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Advance tax (refer note 13) | 165.73 | 184.87 |
| Provision for tax (refer note 27) | (154.69) | (155.05) |
| Net position (income-tax asset) | 11.04 | 29.82 |
| a. Income-tax assets | | |
| Opening balance | 184.87 | 180.36 |
| Tax deducted at source during the year | 1.48 | 0.44 |
| Refund received during the year | (21.17) | - |
| Prior year taxes | - | 4.07 |
| Transferred from current tax liabilities | 0.55 | - |
| | 165.73 | 184.87 |
| b. Current tax liabilities | | |
| Opening balance | 155.05 | 138.51 |
| Provision for tax | 728.02 | 634.74 |
| Interest on taxes | 8.20 | 12.83 |
| Advance tax paid during the year | (595.00) | (485.00) |
| Tax deducted at source during the year | (42.13) | (34.65) |
| Self assessment tax paid | (100.00) | (90.00) |
| Prior year taxes | - | (21.38) |
| Transferred to income-tax assets | 0.55 | - |
| | 154.69 | 155.05 |
| Net position | 11.04 | 29.82 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

38. Earnings per equity share (EPS)

| Particulars | | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------|-----------------------------|-----------------------------|
| i. Weighted average number of equity shares of Rs. 10 each for basic earnings per share: | | | |
| Number of equity shares at the end of the year | (A) | 7,52,43,359 | 5,58,49,653 |
| Effect of compulsorily convertible non-cumulative preference shares | (B) | - | 1,32,96,153 |
| Weighted average number of equity shares outstanding at the end of the year for calculating basic earnings per equity share | [(C) = (A)+(B)] | 7,52,43,359 | 6,91,01,901 |
| Add: Stock options granted to employees (refer note 41) | (D) | 2,30,403 | 1,67,127 |
| Weighted average number of equity shares outstanding at the end of the year for calculating diluted earnings per equity share | [(E) = (C)+(D)] | 7,54,73,762 | 6,92,69,028 |
| ii. Net profit for the year | (F) | 1,810.04 | 1,584.79 |
| iii. Basic earnings per equity share (Rs.) | (F) / (C) | 24.06 | 22.93 |
| iv. Diluted earnings per equity share (Rs.) | (F) / (E) | 23.98 | 22.87 |

39. Dividend on shares

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|---|-----------------------------|-----------------------------|
| Interim dividend on equity shares @ Rs. 1.00/ per share for the year ended 31 March 2024 | 77.66 | - |
| Interim dividend on equity shares @ Rs. 1.50/ per share for the year ended 31 March 2023 (Rs. 0.50 and Rs. 1.00 per share) | - | 83.77 |
| Interim dividend on preference shares @ Rs. 1.501/share for the year ended 31 March 2023 (Rs. 0.501 and Rs. 1.01 per share) | - | 19.97 |
| Final dividend on equity shares @ Rs. 0.50/ per share for the year ended 31 March 2022 | - | 27.92 |
| Final dividend on preference shares @ Rs. 0.501/ per share for the year ended 31 March 2022 | - | 6.66 |
| | 77.66 | 138.32 |

(*)The board of directors of the company of their meeting held on 09 November 2023 had recommended as interim dividend @ 10% (Rs. 1 per equity share of face value of 10) and was subsequently paid further the Board of Directors of the holding company have recommended final dividend Rs. 1.00 (10%) per equity share of Rs. 10 each for the financial year 2023-24. The dividend is subject to the approval of the shareholders is ensuring Annual General Meeting of the holding company.

40. Employee benefits

Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident and Pension Fund for the year aggregated to Rs. 60.42 (31 March 2023: Rs. 52.55 millions)

Defined benefit plans

The Group operates one post-employment defined benefit plans (i.e., gratuity). The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days basic salary for each year of completed service at the time of retirement/exit. Gratuity scheme is funded by the plan assets.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

40. Employee benefits *Contd.*

Inherent risk

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Group, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Net defined benefit obligation (Gratuity) | 99.25 | 60.35 |
| Net defined benefit asset (Gratuity) | (71.20) | (54.03) |
| Liability recognised in Balance Sheet | 28.05 | 6.32 |
| Non-current | 28.05 | 6.32 |
| Current | - | - |
| Net liability recognised in the Balance Sheet | 28.05 | 6.32 |

The following tables analyse present value of defined benefit obligations, expense recognised in the consolidated Statement of Profit and Loss, actuarial assumptions and other information.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (I) Reconciliation of present value of defined benefit obligation | | |
| (a) Balance at the beginning of the year | 60.35 | 43.34 |
| (b) Current service cost | 13.79 | 12.67 |
| (c) Interest cost | 4.41 | 2.99 |
| (d) Benefits paid | (3.26) | (4.55) |
| (e) Actuarial (gains) / loss recognised in other comprehensive income: | | |
| - change in financial assumptions | 15.65 | 0.21 |
| - change in demographic assumptions | 5.95 | - |
| - experience adjustments | 2.36 | 5.69 |
| Balance at the end of the year | 99.25 | 60.35 |
| (II) Reconciliation of present value of plan assets | | |
| (a) Balance at the beginning of the year | 54.03 | 42.61 |
| (b) Interest income | 3.94 | 3.10 |
| (c) Employer contributions | 17.73 | 13.92 |
| (d) Benefits paid | (3.26) | (4.54) |
| (e) Return on plan assets recognised in other comprehensive income | (1.24) | (1.06) |
| Balance at the end of the year | 71.20 | 54.03 |
| (III) Net liability recognised in the Balance Sheet | | |
| (a) Present value of defined benefit obligation | (99.25) | (60.35) |
| (b) Fair value of plan assets | 71.20 | 54.03 |
| Net defined benefit obligations in the Balance Sheet | (28.05) | (6.32) |
| (IV) Expense recognised in Consolidated Statement of Profit and Loss | | |
| (a) Current service costs | 13.79 | 12.67 |
| (b) Interest costs | 4.41 | 2.99 |
| (c) Expected return on plan assets | (3.10) | (3.10) |
| Expense recognised in Consolidated Statement of Profit and Loss | 15.10 | 12.56 |
| (V) Remeasurements recognised in OCI | | |
| (a) Actuarial loss on defined benefit obligation | 23.96 | 5.90 |
| (b) Return on plan asset excluding interest income | 1.24 | 1.06 |
| Amount recognised in OCI | 25.20 | 6.96 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

40. Employee benefits *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|----------------------------|----------------------------|
| (VI) Plan assets: | | |
| Plan assets comprise the following: | | |
| (a) Invested with Life Insurance Corporation of India (100%) | 71.20 | 54.03 |
| | 71.20 | 54.03 |
| (VII) Maturity profile of the defined benefit obligation: | | |
| Expected future payments (undiscounted): | | |
| Not later than 1 year | 9.53 | 1.41 |
| Later than 1 year and not later than 5 years | 40.13 | 4.49 |
| More than 5 years | 154.08 | 263.11 |
| | 203.74 | 269.01 |
| The average duration of the defined benefit plan obligation of the Holding Company at the end of the reporting period is 8 years. | | |
| (VIII) Actuarial assumptions | | |
| Principal actuarial assumptions at the reporting date | | |
| (a) Discount rate-Senco Gold Limited (%) | 7.10% | 7.28% |
| Discount rate-Senco Gold Artisanship Private Limited (%) | 7.15% | 7.26% |
| (b) Future salary growth (%) | 10.00% | 7.00% |
| (c) Attrition rate-Senco Gold Limited (%) | 12.00% | 16.00% |
| Attrition rate- Senco Gold Artisanship Private Limited (%) | 5.00% | 16.00% |
| (d) Retirement age (years) | 60 | 60 |
| (e) Expected average remaining working life of employee: Senco Gold Limited (years) | 26.58 | 26.00 |
| Expected average remaining working life of employee: Senco Gold Artisanship Private Limited (years) | 23.22 | 22.00 |
| (f) Mortality rate | IALM 2012-2014 Ultimate | IALM 2012-2014 Ultimate |

Note:

- The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- Discount rate is based on the prevailing market yield of the Indian Government securities as at the year end for the estimated term of the obligation.

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| (a) Discount rate (0.50% movement) | (7.44) | 8.52 | (4.95) | 5.51 |
| (b) Future salary growth (0.50% movement) | 8.10 | (7.24) | 5.39 | (4.92) |
| (c) Attrition rate (0.50% movement) | (7.62) | 14.47 | (0.16) | 0.14 |
| (d) Mortality rate (10% movement) | (0.03) | 0.03 | (0.01) | (0.01) |

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

- The Group expects to contribute Rs. 47.44 millions to its gratuity plan for the next year.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

40. Employee benefits *Contd.*

(XI) Risk exposure:

Valuation are based on certain assumptions, which are dynamic in nature and may vary over time. As such valuations of the Group is exposed to follow risks -

- Salary increase: Higher than expected increases in salary will increase the defined benefit obligation.
- Discount rate: The defined benefit obligation calculated use a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- Mortality and disability: If the actual deaths and disability cases are lower or higher than assumed in the valuation, it can impact the defined benefit obligation.
- Withdrawals: If the actual withdrawals are higher or lower than the assumed withdrawals or there is a change in withdrawal rates at subsequent valuations, it can impact defined benefit obligation.

41. Employee's share based payment plans

Senco Gold Employee Stock Option Scheme- 2018

During the year ended 31 March 2018, the Holding Company implemented its Employee Stock Option Scheme ('the Plan'). The plan was originally approved by the members of the Holding Company on 24 May 2018 and subsequent amendments were approved on 25 October 2021. The Plan enables grant of stock options to the eligible employees of the Holding Company. The Plan enables grant of stock options to the eligible employees of the Holding Company not exceeding 1,000,000 options, which is 1.79 % of the paid-up equity share capital of the Holding Company as on 31 March 2024. Further, the stock options to any single employee under the Plan shall not exceed 1% of the issued capital of the Holding Company, at the time of grant of options, during the tenure of the Plan, subject to compliance with Applicable Law. The options granted under the Plan have a maximum vesting period of 4 years.

(a) Details of stock options granted:

| Particulars | Tranche 2 | Tranche 1 |
|--|---------------------|---------------------|
| Grant date | 20 July 2022 | 03 February 2022 |
| Vesting date | 20 July 2026 | 03 February 2026 |
| Fair value as on Grant date (Rs. per option) | 350.00 | 331.00 |
| Exercise price (Rs. per option) | 281.58 | 250.00 |
| Method of valuation | Black-Scholes Model | Black-Scholes Model |
| Expected life (years) | 4 | 3 |
| Expected volatility (%) | 54.23% | 56.52% |
| Dividend yield (%) | 15.00% | 15.00% |
| Risk free rate of return (%) | 6.86% | 5.35% |

(b) Movement of options:

| Particulars | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|-----------------------------|-----------------------------|
| Balance as at the beginning of the year | 1,62,100 | 1,81,600 |
| Options granted during the year | 95,000 | 9,500 |
| Options exercised during the year | (41,017) | - |
| Options forfeited during the year | - | - |
| Options lapsed during the year | - | (29,000) |
| Balance as at the end of the year | 2,16,083 | 1,62,100 |
| Number of options exercisable at year end | 1,163 | - |
| Weighted average remaining contractual life (years) | 7.84 | 8.84 |

- During the year ended 31 March 2024, the Holding Company has recognised an expense of Rs. 6.61 million (31 March 2023: Rs. 3.51 millions)
- The weighted average share price at the date of exercise of these options was Rs. 92.26.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures)

A. List of related parties and their relationship

| Nature of relation | Name of related parties |
|---|---|
| (i) Entity having control over the Company | Jai Hanuman Shri Siddhivinayak Trust |
| (ii) Entity having significant influence over the Company | SAIF Partners India IV Limited, Mauritius (until 29 February 2024) |
| (iii) Key management personnel | Mrs. Ranjana Sen, Director |
| | Mr. Suvankar Sen, Managing Director and Chief Executive Officer (w.e.f. 12 August 2020) |
| | Mrs. Joita Sen, Director |
| | Mr. Vivek Kumar Mathur, Nominee Director (until 29 February 2024) |
| | Mr. Bhaskar Sen, Independent Director |
| | Mr. Kumar Shankar Datta, Independent Director |
| | Mr. Shankar Prasad Halder, Independent Director |
| | Mrs. Suman Varma, Independent Director |
| | Mr. Sanjay Banka, Chief Financial Officer |
| | Mr. Surendra Gupta, Company Secretary and Compliance Officer |
| (iv) Relatives of key management personnel (*) | Mr. Joydeep Majumder |
| | Mrs. Kavita Banka |
| | Mrs. Tapasi Mullick |
| | Mrs. Anjana Dutta |
| | Mrs. Arpita Mazumdar |
| | Mrs. Monisha Mathur |
| | Mrs. Shyamali Majumder |
| | Mrs. Aparajita Majumder |
| | Mrs. Arpita Day |
| (v) Enterprises controlled by key management personnel or their relatives (*) | Mangoe Construction Private Limited |
| | P C Sen Charitable Trust |
| | Senco Gold Limited Employee Group Gratuity Trust Fund |
| | Om Gaan Ganpataye Bajrangbali Trust |
| | Race Automobiles Private Limited |
| | Ankurhati Gems And Jewellery Manufacturers Welfare Association |
| | Diamond Prestige Occupants Association |
| | The Gem And Jewellery Export Promotion Council |
| | Arpita Agro Products Private Limited |
| Lira Realty Pvt Ltd | |

(*) Names of related parties and description of relationship with the Group (where transactions have taken place during the year, except for control relationships where parties are disclosed irrespective of transactions)

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures) *Contd.*

| Nature of transaction | Transaction value | | Balance outstanding | |
|---|-------------------|---------------|---------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| B. Transactions with entity having control over the Group | | | | |
| Dividends | 34.44 | 68.87 | - | - |
| | 34.44 | 68.87 | - | - |
| C. Transactions with entity having significant influence over the Group | | | | |
| Dividends | - | 26.63 | - | - |
| | - | 26.63 | - | - |
| D. Transactions with key management personnel: | | | | |
| Short-term employee benefits (#) | 74.95 | 62.19 | 18.96 | 16.26 |
| Share based payment expenses | 1.66 | 1.02 | 2.94 | 1.28 |
| Rent paid | 2.18 | 1.67 | 0.30 | 0.30 |
| Director sitting fees | 4.61 | 3.13 | 0.01 | - |
| Reimbursement of expenses | 5.24 | 3.90 | - | 1.93 |
| Dividends | 13.41 | 21.13 | - | 15.38 |
| Advances received | 4.97 | 2.41 | 0.40 | 2.07 |
| Advances adjusted towards sale of products | 5.22 | 0.85 | - | - |
| Sale of goods | 10.87 | 6.43 | - | - |
| Purchase of goods | 0.04 | 0.40 | - | - |
| | 123.15 | 103.13 | 22.61 | 37.22 |
| <p>(#) Compensation of the key management personnel includes salaries and contribution to post-employment defined benefit plan. It does not include gratuity and leave encashment benefits which are actuarially determined on an overall basis for the Group and individual information in respect of the directors is not available</p> | | | | |
| E. Transactions with key management personnel: | | | | |
| Dividends (including amount payable to the legal heir of Late Mr. Sankar Sen) | - | 5.69 | - | - |
| Advance Received | 2.10 | 0.08 | 0.35 | 0.01 |
| Sale of goods | 3.51 | 2.76 | - | - |
| Purchase of goods | 2.09 | 0.72 | - | - |
| Rent paid | 1.54 | 1.26 | 0.30 | 0.30 |
| Advances adjusted towards sale of products | 1.75 | 0.07 | - | - |
| Repairs and maintenance | 0.12 | 0.12 | - | 0.00 |
| | 11.11 | 10.70 | 0.65 | 0.31 |
| F. Transactions with enterprises controlled by key management personnel or their relatives: | | | | |
| Rent paid | 44.48 | 38.73 | 0.97 | 1.21 |
| Maintenance and licensee fee paid | 14.95 | 12.21 | 11.10 | 8.52 |
| Advance given for rent | 0.09 | - | - | - |
| Purchase of goods | 31.28 | 29.10 | 0.90 | 1.38 |
| Dividend paid | 5.33 | 10.67 | - | - |
| Contribution made towards employee gratuity fund | 17.73 | 13.92 | - | - |
| Contribution made towards CSR | 32.00 | 26.40 | - | - |
| | 145.86 | 131.03 | 12.97 | 11.11 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

42. Related party disclosures (as per Ind AS 24 - Related Party Disclosures) *Contd.*

Note:

- For personal guarantees given by directors and their relatives, refer note 21.
- There are no material individual transactions that are not in the normal course of business or not on arm's length basis.

43. Deposits received from customers under jewellery purchase schemes includes provision for discount accrued by the Holding Company amounting to Rs. 65.97 millions (31 March 2023: 83.51 millions) as per the terms of the respective schemes against which advance has been received from these customers.

44 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group is engaged in the business of manufacture and sale of jewellery and other articles of various designs/ specification based on customer's requirements. The Group's manufacturing facilities are located in India and products sold in the domestic and overseas market are manufactured in these facilities. Based on the dominant source and nature of risk and returns of the Group, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Group has only one business segment, viz., sale of jewellery and other articles.

| Particulars | 31 March 2024 | 31 March 2023 |
|--|------------------|------------------|
| Revenue from external customers | | |
| India (i.e. entity's country of domicile) | 50,335.36 | 40,075.85 |
| Outside India | 2,079.07 | 698.19 |
| Total segment revenue | 52,414.43 | 40,774.04 |
| Non-current assets (other than financial instruments and deferred tax assets) | | |
| India (i.e. entity's country of domicile) | 3,805.96 | 3,303.08 |
| Outside India | 53.12 | - |
| Total non-current assets (other than financial instruments and deferred tax assets) | 3,859.08 | 3,303.08 |

B. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31 March 2024 and 31 March 2023

45. Contingent liabilities and commitments

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (i) Contingent liabilities | | |
| Claims against the Company not acknowledged as debts: | | |
| - Income-tax demands (also refer note (c) below) | 147.15 | 191.62 |
| - Central excise (also refer note (d) below) | 124.16 | 18.65 |
| - Service tax | 21.58 | 21.58 |
| - Goods and Service tax | 5.40 | - |
| | 298.29 | 231.85 |

Notes:

- (a) It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect to the above pending resolution of the respective proceedings.
- (b) The amounts disclosed above represent the best possible estimates arrived at on the basis of available information.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

45. Contingent liabilities and commitments *Contd.*

- (c) The above, inter-alia, includes an amount of Rs. 74.56 millions pursuant to a search and seizure operation under section 132 of the Income-tax Act, 1961 (hereinafter in this note referred to as the 'IT Act') conducted by the Income-tax department in November 2017, notices under section 153A and section 142(1) of the IT Act were issued for the assessment years 2011-12 to 2017-18 on the Holding Company and subsequent demands raised by the Deputy Commissioner of Income-tax on the Holding Company for the said assessment years. The Holding Company has filed appeal against the said orders. Further, the Deputy Director of Income-tax (Investigation), Unit - 2(1), Kolkata, has filed a criminal complaint against the Holding Company and some of the Key Management Personnel under section 277A of the IT Act. Based on the facts of the matter and an independent assessment done by the Holding Company, the management remains fairly confident of a favorable outcome and therefore, does not foresee any material financial liability devolving on the Holding Company in this respect of the aforementioned demand/ litigation and accordingly, no provision has been made in these Consolidated Financial Statement.
- (d) The above, inter-alia, includes an amount of Rs. 105.51 million (including penalty amounting Rs. 89.57 million) towards excess CENVAT credit availed in the financial year 2016-17. The Holding Company has filed an appeal against the order before CESTAT (Kolkata). Further, the Holding Company does not foresee any material financial liability devolving on the Holding Company in this respect and accordingly, no provision has been made in these Consolidated Financial Statement.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|---|------------------------|------------------------|
| (ii) Commitments: | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance) | 91.28 | 173.81 |
| | 91.28 | 173.81 |

46. Corporate social responsibility expenses ("CSR"):

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Holding Company. The funds are utilised on the activities which are specified in Schedule VII of the Act. The Holding Company has created a registered trust for purpose of CSR activities as approved by the CSR committee. The utilisation is done by way of contribution to this trust.

- (a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: Rs. 32.25 millions, required to be spent by the Holding Company (31 March 2023: Rs. 26.50 millions)
- (b) Amount approved by the board of holding company to be spent during the year:- Rs. 32.25 million (31 March 2023: Rs. 26.50 million)
- (c) Details of amount spent:

| | Amount paid | Amount accrued | Total |
|--|-------------|----------------|-------|
| Year ended 31 March 2024: | | | |
| Construction/ acquisition of any asset (refer notes below) | - | - | - |
| On purposes other than above | 32.25 | - | 32.25 |
| | 32.25 | - | 32.25 |

| | Amount paid | Amount accrued | Total |
|--|-------------|----------------|-------|
| Year ended 31 March 2023: | | | |
| Construction/ acquisition of any asset (refer notes below) | - | - | - |
| On purposes other than above | 26.50 | - | 26.50 |
| | 26.50 | - | 26.50 |

- (d) The Holding Company has made a contribution of Rs. 32.25 millions for the year ended 31 March 2024 (31 March 2023: Rs. 26.50 millions) to a registered trust considered to be a related party as per Indian Accounting Standard (Ind AS) 24, Related Party Disclosures.
- (e) The Holding Company does not have any provision for corporate social responsibility expenses in the current year.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (f) The Holding Company does not wish to carry forward any excess amount spent during the year.
 (g) The Company does not have any ongoing projects as at 31 March 2024 (no ongoing projects as at 31 March 2023).

47. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| Particulars | Note | Carrying amount | | | | Fair value | | |
|--|------|---|---|-----------|-----------------------|------------|---------|---------|
| | | Fair value through profit or loss (FVTPL) | Fair value through Other Comprehensive Income (FVOCI) | Cost | Total carrying amount | Level 1 | Level 2 | Level 3 |
| As at 31 March 2024 | | | | | | | | |
| Financial assets | | | | | | | | |
| Investment in equity instruments | 10 | - | 1.45 | - | 1.45 | - | - | 1.45 |
| Other financial assets | 11 | - | - | 1,849.73 | 1,849.73 | - | - | - |
| Trade receivables | 16 | - | - | 528.68 | 528.68 | - | - | - |
| Cash and cash equivalents | 17 | - | - | 185.16 | 185.16 | - | - | - |
| Bank balances other than cash and cash equivalents | 18 | - | - | 5,328.46 | 5,328.46 | - | - | - |
| | | - | 1.45 | 7,892.03 | 7,893.48 | - | - | 1.45 |
| Financial liabilities | | | | | | | | |
| Borrowings | 21 | 9,066.98 | - | 5,940.26 | 15,007.24 | 9,066.98 | - | - |
| Lease liabilities | 22 | - | - | 2,628.06 | 2,628.06 | - | - | - |
| Other financial liabilities | 23 | 447.56 | - | 259.29 | 706.85 | 447.56 | - | - |
| Trade payables | 26 | - | - | 2,068.81 | 2,068.81 | - | - | - |
| | | 9,514.54 | - | 10,896.42 | 20,410.96 | 9,514.54 | - | - |
| As at 31 March 2023 | | | | | | | | |
| Financial assets | | | | | | | | |
| Investment in equity instruments | 10 | - | 1.27 | - | 1.27 | - | - | 1.27 |
| Other financial assets | 11 | - | - | 1,272.02 | 1,272.02 | - | - | - |
| Trade receivables | 16 | - | - | 454.22 | 454.22 | - | - | - |
| Cash and cash equivalents | 17 | - | - | 94.83 | 94.83 | - | - | - |
| Bank balances other than cash and cash equivalents | 18 | - | - | 4,280.90 | 4,280.90 | - | - | - |
| | | - | 1.27 | 6,101.97 | 6,103.24 | - | - | 1.27 |
| Financial liabilities | | | | | | | | |
| Borrowing | 21 | 6,376.09 | - | 5,437.57 | 11,813.66 | 6,376.09 | - | - |
| Lease liabilities | 22 | - | - | 2,097.53 | 2,097.53 | - | - | - |
| Other financial liabilities | 23 | 194.01 | - | 300.24 | 494.25 | 194.01 | - | - |
| Trade payables | 26 | - | - | 1,616.92 | 1,616.92 | - | - | - |
| | | 6,570.10 | - | 9,452.26 | 16,022.36 | 6,570.10 | - | - |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

47. Financial instruments - fair values and risk management *Contd.*

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

- The fair value of cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.
- Investments in equity instruments, other than in subsidiary Companies are classified as FVOCI. The carrying cost of unquoted equity instrument has been considered as an appropriate estimate of fair value in the current year. There are no such significant unobservable inputs used for the valuation technique.
- In case of derivatives, the fair value is determined using quoted forward exchange rates at the reporting dates in the respective commodities and currencies. There are no such significant unobservable inputs used for the valuation technique.

C. Level 3 fair values - Movement in the values of unquoted equity instruments

The following table shows a reconciliation from the opening balance to the closing balance for Level 3 fair values.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Balance as at the beginning of the year | 1.27 | 0.26 |
| Fair value gain through Other Comprehensive Income: | | |
| - Net change in fair value (unrealised) | 0.18 | 1.01 |
| Balance as at the end of the year | 1.45 | 1.27 |

D. Risk management

The Group's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets that derive directly from its operations.

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. Trade receivables consist of a large number of customers. The Group has very limited history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good.

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

| | less than 60 days | from 61 to 90 days | from 91 to 180 days | from 180 to 365 days | more than 365 days | Total |
|---------------------|-------------------|--------------------|---------------------|----------------------|--------------------|--------|
| As at 31 March 2024 | 464.62 | 30.22 | 33.80 | 0.04 | 25.57 | 554.25 |
| As at 31 March 2023 | 281.32 | 37.81 | 102.80 | 32.29 | 25.57 | 479.79 |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

47. Financial instruments - fair values and risk management *Contd.*

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group liquidity position through rolling forecasts on the basis of expected cash flows.

The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

| Particulars | Contractual cashflows | | | | | |
|---|-----------------------|------------------|------------------|---------------|-----------------|-------------------|
| | Carrying amount | Total | Less than 1 year | 1 - 2 years | 2 - 5 years | More than 5 years |
| As on 31 March 2024: | | | | | | |
| Borrowings (including accrued interest) | 15,007.24 | 15,007.24 | 14,996.19 | 3.92 | 7.13 | - |
| Lease liabilities | 2,628.06 | 4,081.36 | 556.36 | 551.15 | 1,507.71 | 1,466.14 |
| Trade payables | 2,068.81 | 2,068.81 | 2,068.81 | - | - | - |
| Other financial liabilities | 706.85 | 706.85 | 706.85 | - | - | - |
| | 20,410.96 | 21,864.26 | 18,328.21 | 555.07 | 1,514.84 | 1,466.14 |
| As on 31 March 2023: | | | | | | |
| Borrowings (including accrued interest) | 11,813.66 | 11,813.66 | 11,802.61 | 3.92 | 7.13 | - |
| Lease liabilities | 2,097.53 | 3,406.41 | 447.00 | 420.95 | 1,200.41 | 1,338.05 |
| Trade payables | 1,616.92 | 1,616.92 | 1,616.92 | - | - | - |
| Other financial liabilities | 494.25 | 494.25 | 486.16 | 8.09 | - | - |
| | 16,022.36 | 17,331.24 | 14,352.69 | 432.96 | 1,207.54 | 1,338.05 |

(iii) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Group's functional currency.

| Particulars | Currency | 31 March 2024 | 31 March 2023 |
|------------------------------|---------------------|---------------|---------------|
| Trade receivables (unhedged) | USD (in millions) | 4.83 | 2.47 |
| | INR | 403.09 | 202.94 |
| Trade Payables (unhedged) | USD (in millions) | 0.00 | - |
| | Pound (in millions) | 0.01 | - |
| | INR | 1.56 | - |

Sensitivity analysis

A reasonably possible strengthening / weakening of the Indian Rupee against US dollars as at the reporting period would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

47. Financial instruments - fair values and risk management *Contd.*

| Particulars | 31 March 2024 | | 31 March 2023 | |
|-------------------------------------|---------------|---------------------|---------------|---------------------|
| | Profit/(loss) | Equity (net of tax) | Profit/(loss) | Equity (net of tax) |
| INR/USD strengthening [5% movement] | 20.08 | 15.02 | 10.15 | 7.59 |
| INR/USD weakening [5% movement] | (20.08) | (15.02) | (10.15) | (7.59) |

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the Group long term and short term borrowing with floating interest rates. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|------------------|------------------|
| Fixed rate instruments | | |
| Financial assets | 4,147.75 | 3,417.13 |
| Financial liabilities | 14.26 | 17.75 |
| | 4,162.01 | 3,434.88 |
| Variable rate instruments | | |
| Financial assets | - | - |
| Financial liabilities | 14,992.98 | 11,795.91 |
| | 14,992.98 | 11,795.91 |

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

| Particulars | 31 March 2024 | | 31 March 2023 | |
|---|---------------|---------------------|---------------|---------------------|
| | Profit/(loss) | Equity (net of tax) | Profit/(loss) | Equity (net of tax) |
| Variable rate instruments - increase by 100 basis points (1%) | 149.93 | 112.20 | 117.96 | 88.27 |
| Variable rate instruments - decrease by 100 basis points (1%) | (149.93) | (112.20) | (117.96) | (88.27) |

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

E. Hedging activity and derivatives

Fair value hedge of gold price risk in inventory

The Group is exposed to fluctuations in gold price (including fluctuations in foreign currency) arising on purchase/ sale of gold and inventory of gold lying with the Group. To manage the variability in cash flows, the Group enters into derivative financial instruments to manage the risk associated with gold price fluctuations relating to the highly probable forecasted transactions. Such derivative financial instruments are primarily in the nature of future commodity contracts. The risk management strategy against gold price fluctuation also includes procuring gold on loan basis, with a flexibility to fix price of gold at anytime during the tenor of the loan.

The Group designates certain derivatives as hedging instruments in respect of commodity price risk in cash flow hedges and fair value hedges. As the value of the derivative instrument generally changes in response to the value of the hedged item, the economic relationship is established.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

47. Financial instruments - fair values and risk management *Contd.*

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. The Group assesses the effectiveness of its designated hedges by using the same hedge ratio as that resulting from the quantities of the hedged item and the hedging instrument that the Group actually uses.

Disclosures of effects of hedge accounting on balance sheet:

| Particulars | Carrying amount of hedge item | | Carrying amount of hedging instrument | | Maturity date | Balance sheet classification | Impact of change in fair value relating to the hedged risk (spot) |
|--|-------------------------------|-------------|---------------------------------------|-------------|------------------------------------|------------------------------|---|
| | Assets | Liabilities | Assets | Liabilities | | | |
| As at 31 March 2024 | | | | | | | |
| Hedged item - inventory of gold | 19,869.72 | - | N.A. | N.A. | Range - with in six to nine months | Inventories | 800.17 |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A. | N.A. | - | 9,066.98 | | Current borrowings | 800.17 |
| As at 31 March 2023 | | | | | | | |
| Hedged item - inventory of gold | 15,299.18 | - | N.A. | N.A. | Range - with in six to nine months | Inventories | 642.63 |
| Hedging instrument - option to fix gold price (gold metal loans) | N.A. | N.A. | - | 6,376.09 | | Current borrowings | 642.63 |

48. Ratios disclosed as per requirement of Schedule III to the Act

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (a) Return on equity ratio | | |
| Profit for the year (Numerator) | 1,810.04 | 1,584.79 |
| Average shareholders' equity (Denominator) | 11,555.31 | 8,357.44 |
| Return on equity (%) | 15.7% | 19.0% |
| % Change as compared to the preceeding year | (17.39%) | |
| (b) Return on capital employed | | |
| Earning before interest and taxes (Numerator) | 3,576.41 | 3,022.05 |
| Capital employed (Denominator) | 28,662.66 | 21,268.86 |
| Return on capital employed (pre tax) | 12.48% | 14.21% |
| % Change as compared to the preceeding year | (12.18%) | |
| (c) Current ratio | | |
| [Current assets / Current liabilities] | | |
| Current assets (Numerator) | 32,833.73 | 25,010.02 |
| Current liabilities (Denominator) | 21,115.48 | 17,442.01 |
| Current ratio (times) | 1.55 | 1.43 |
| % Change as compared to the preceeding year | 8.44% | |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

48. Ratios disclosed as per requirement of Schedule III to the Act *Contd.*

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| (d) Debt-equity ratio [Total debt / Shareholder's equity] | | |
| Total debt (Numerator) | 15,007.24 | 11,813.66 |
| Shareholder's equity (Denominator) | 13,655.42 | 9,455.20 |
| Debt-equity ratio (times) | 1.10 | 1.25 |
| % Change as compared to the preceeding year | (12.04%) | |
| (e) Debt Service Coverage ratio [Earnings available for Debt Service / Debt Service] | | |
| Earnings available for Debt Service (Numerator) | 3,492.16 | 2,916.41 |
| Debt Service (Denominator) | 1,106.60 | 804.19 |
| Debt-equity ratio (times) | 3.16 | 3.63 |
| % Change as compared to the preceeding year | (12.98%) | |
| (f) Inventory turnover ratio [Average Inventory = (Opening balance + Closing balance) / 2] | | |
| Sales for the year (Numerator) | 52,414.43 | 40,774.04 |
| Average inventory (Denominator) | 21,712.38 | 16,383.51 |
| Inventory turnover ratio (times) | 2.41 | 2.49 |
| % Change as compared to the preceeding year | (3.00%) | |
| (g) Trade receivables turnover ratio [Average trade receivables = (Opening balance + Closing balance) / 2] | | |
| Revenue from operations (Numerator) | 52,414.43 | 40,774.04 |
| Average trade receivable (Denominator) | 491.45 | 424.10 |
| Trade receivables turnover ratio (times) | 106.65 | 96.14 |
| % Change as compared to the preceeding year | 10.93% | |
| (h) Trade payables turnover ratio [Average trade payables = (Opening balance + Closing balance) / 2] | | |
| Purchase of raw materials and stock-in-trade (Numerator) | 50,116.15 | 39,161.46 |
| Average trade payables (Denominator) | 1,842.87 | 1,395.58 |
| Trade payables turnover ratio (times) | 27.19 | 28.06 |
| % Change as compared to the preceeding year | (3.09%) | |
| (i) Net capital turnover ratio [Working capital is calculated as current assets (-) current liabilities] | | |
| Revenue from operations (Numerator) | 52,414.43 | 40,774.04 |
| Working capital (Denominator) | 11,718.25 | 7,568.01 |
| Net capital turnover ratio (times) | 4.47 | 5.39 |
| % Change as compared to the preceeding year | (16.98%) | |
| (j) Net profit ratio | | |
| Profit for the year (Numerator) | 1,810.04 | 1,584.79 |
| Revenue from operations (Denominator) | 52,414.43 | 40,774.04 |
| Net profit ratio | 3.45% | 3.89% |
| % Change as compared to the preceeding year | (11.15%) | |

Note:

- Since the change in ratio is not more than 25%, requirement to furnish explanations is not applicable per stipulation mentioned in schedule III to the Act.
- Holding Company has investments only in the equity shares of its subsidiary and there are no dividends or other returns from the subsidiary for the current year and previous years hence disclosure of Return on investments ratio is not applicable to the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

49. The utilisation of the Company's initial public offer (IPO) proceeds has been summarised below:

(Rs. in millions)

| Objects of the issue as per Prospectus | Utilisation planned as per the Prospectus | Utilisation upto 31 March 2024 | Unutilised amount as on 31 March 2024 |
|---|---|--------------------------------|---------------------------------------|
| Funding working capital requirements of the Company | 1,960.00 | 1960.00 | - |
| General corporate purpose | 475.11 | 475.11 | - |
| Net Utilisation | 2,435.11 | 2435.11 | - |

50. Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Group is not subject to externally imposed capital requirements. For the purpose of the Group's capital management, capital includes issued equity share capital, instruments entirely equity in nature and all other equity reserves attributable to the equity holders and debt includes borrowings and lease liabilities.

The Company monitors capital on the basis of the following gearing ratio.

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|---------------------|---------------------|
| Total debt (Bank and other borrowings) | 15,007.24 | 11,813.66 |
| Equity (including other equity) | 13,655.42 | 9,455.20 |
| Debt to equity ratio | 1.1:1 | 1.25:1 |

51. Details related to borrowings secured against current assets

The Company has given current assets as security for borrowings obtained from banks. The Company duly submitted the required information with the banks on regular basis and the required reconciliation is presented below:

| Quarter ended | Particulars | Amount as per books of accounts | Amount as reported in the quarterly return / statement | Amount of difference | Reason for variations |
|---|---------------------|---------------------------------|--|----------------------|-----------------------|
| For the year ended 31 March 2024 | | | | | |
| 31 March 2024 | - Trade receivables | 644.38 | 653.04 | (8.66) | Refer note (a) below. |
| | - Inventories | 24,502.84 | 24,487.98 | 12.64 | Refer note (a) below. |
| 31 December 2023 | - Trade receivables | 608.41 | 608.40 | 0.01 | Refer note (a) below. |
| | - Inventories | 22,680.20 | 22,680.20 | - | |
| 30 September 2023 | - Trade receivables | 670.14 | 670.10 | 0.04 | Refer note (a) below. |
| | - Inventories | 20,503.80 | 20,503.80 | - | |
| 30 June 2023 | - Trade receivables | 554.23 | 554.20 | 0.03 | Refer note (a) below. |
| | - Inventories | 18,203.36 | 18,203.40 | (0.04) | Refer note (a) below. |
| For the year ended 31 March 2023 | | | | | |
| 31 March 2023 | - Trade receivables | 454.39 | 456.80 | (2.58) | Refer note (a) below. |
| | - Inventories | 18,777.73 | 18,777.70 | 0.03 | Refer note (a) below. |
| 31 December 2022 | - Trade receivables | 504.86 | 504.70 | 0.16 | Refer note (a) below. |
| | - Inventories | 17,430.20 | 17,202.90 | 227.30 | Refer note (b) below. |
| 30 September 2022 | - Trade receivables | 540.54 | 541.50 | (0.96) | Refer note (a) below. |
| | - Inventories | 17,165.67 | 17,308.20 | (142.53) | Refer note (b) below. |
| 30 June 2022 | - Trade receivables | 649.04 | 641.00 | 8.04 | Refer note (a) below. |
| | - Inventories | 15,046.73 | 15,069.20 | (22.47) | Refer note (b) below. |

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

Notes:

- No significant variation.
- Variation is owing to the adjustment of purchase difference on the unfixed gold metal loans recorded on an estimated basis (and not actual basis) and manual adjustment of inventory lying with karigars done while submitting the quarterly statements to the banks.

52. Additional information as required by paragraph 2 of the general instructions for preparation of the consolidated financial statements as per Schedule III of the Act:

| Name of the Company | Net assets (total assets minus total liabilities) | | Share in profit or (loss) | | Share in other comprehensive income ('OCI') | | Share in total comprehensive income | |
|---|---|------------------|---------------------------|-----------------|---|----------------|--------------------------------------|-----------------|
| | As a % of net assets | Amount | As a % of profit or loss | Amount | As a % of OCI | Amount | As a % of total comprehensive income | Amount |
| As at 31 March 2024 | | | | | | | | |
| Senco Gold Limited (Holding Company) | 101% | 13,770.08 | 104% | 1,887.50 | 90% | (18.55) | 104% | 1,868.95 |
| Senco Gold Artisanship Private Limited (Subsidiary company) | 0% | 14.00 | (1%) | (16.12) | 1% | (0.20) | (1%) | (16.32) |
| Senco Global Jewellery Trading LLC (Subsidiary company) | 0% | 30.09 | (2%) | (36.46) | 7% | (1.53) | (2%) | (37.99) |
| Less: Eliminations | (1%) | (158.75) | (1%) | (24.88) | 2% | (0.31) | (1%) | (25.19) |
| Total | | 13,655.42 | | 1,810.04 | | (20.59) | | 1,789.45 |
| As at 31 March 2023 | | | | | | | | |
| Senco Gold Limited (Holding Company) | 100% | 9,490.49 | 102% | 1,609.26 | 101% | (4.50) | 102% | 1,604.76 |
| Senco Gold Artisanship Private Limited (Subsidiary company) | 0% | 4.75 | (2%) | (24.45) | (1%) | 0.05 | (2%) | (24.40) |
| Less: Eliminations | 0% | (40.04) | 0% | (0.02) | 0% | - | 0% | (0.02) |
| Total | | 9,455.20 | | 1,584.79 | | (4.45) | | 1,580.34 |

53. Audit trail:

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding Company and its subsidiary incorporated in India, in respect of financial year commencing on 1 April 2023, have used an accounting software operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Further, the database of the said accounting software is operated by a third-party software service provider and the availability of audit trail (edit log) are not covered in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information) at the database level. However, at application level the audit trail (edit log) are enabled and operated throughout the year.

54. Other statutory information

- The Group does not have any Benami property, where any proceeding have been initiated or pending against them for holding any Benami property.
- The Group does not have any charge or satisfaction of charge, which is yet to be registered with Registrar of Companies beyond the statutory period.

Notes to the Consolidated Financial Statements for the year ended 31 March, 2024

(Amount in Rs. millions, except otherwise stated)

- (iii) The Group has not traded or invested in crypto-currency or virtual currency during the financial year.
- (iv) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (vii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Group has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- (ix) The Company does not have any balances with companies struck off under section 248 of Companies Act, 2013.

55. Code of Social Security, 2020

The Code of Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Presidential assent in September 2020. Subsequently, the Ministry of Labour and Employment had released the draft rules on the aforementioned Code. However, the same is yet to be notified. The Group will evaluate the impact (if any) and make necessary adjustments to the Consolidated Financial Statements in the period when the Code will come into effect.

- 56. Figures for the previous period have been regrouped/ reclassified wherever necessary to conform to current year's classification. The impact of such reclassification/ regrouping is not material to these financial statements.

This is the notes to the consolidated financial statements including a summary of material accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of the Board of Directors of
Senco Gold Limited

Rajni Mundra
Partner
Membership No.: 058644
Place: Kolkata
Date: 23 May 2024

Suvankar Sen
Managing Director
and Chief Executive Officer
DIN: 01178803
Place: Kolkata
Date: 23 May 2024

Ranjana Sen
Director
DIN: 01226337
Place: Kolkata
Date: 23 May 2024

Surendra Gupta
Company Secretary
and Compliance Officer
Membership No.: A20666
Place: Kolkata
Date: 23 May 2024

Sanjay Banka
Chief Financial Officer
Place: Kolkata
Date: 23 May 2024

Notice

NOTICE is hereby given that the **30th Annual General Meeting (AGM)** of the members of **SENCO GOLD LIMITED** will be held on Friday, 13th September 2024 at 11.30 A.M. at “Kala-Kunj” (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700 017, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon and the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2024.
2. To declare final dividend of Re. 1/- (10%) per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2024 and to confirm the interim dividend of Re. 1/- (10%) per equity share, already paid during the financial year 2023-24.
3. To appoint a director in place of Mr. Suvankar Sen (DIN: 01178803) who retires by rotation and being eligible, offers himself for re-appointment.
4. Re-appointment of M/s. Walker Chandio & Co, LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, as may be amended from time to time, and pursuant to recommendations of the Audit Committee and Board of Directors of the Company, M/S. Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), be and are hereby re-appointed as the Statutory Auditors of the Company for the second consecutive term of five years, from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company, on such remuneration plus taxes and actual out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors of the Company, in mutual consultation with the Statutory Auditors of the Company.”

SPECIAL BUSINESS:

5. **To borrow in excess of the limits provided under section 180 (1)(c) of the Companies Act, 2013**

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

“**RESOLVED THAT** in supersession of all earlier resolutions passed on the matter and pursuant to the provisions of Section

180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, consent of the Company be accorded to the Board of Directors of the Company and/or any Committee of Directors thereof, to borrow money, as and when required, from any Bank and/or other Financial Institution and/or foreign lender and/ or any body corporate/ entity/entities and/or authority/ authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs.4000 Crores (Rupees Four Thousand Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

6. **To approve the power to create charge on the assets of the company to secure borrowings up to Rs. 4000 Crores pursuant to section 180(1)(a) of the Companies Act, 2013**

To consider and if thought fit to pass the following resolution as a Special Resolution.

“**RESOLVED THAT** in supersession of all earlier resolutions passed on the matter and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company and/or any Committee of Directors thereof, to pledge, mortgage, hypothecate and/charge and or other encumbrances all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company

every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 4000 Crores (Rupees Four Thousand Crores only) at any time.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolutions.”

7. To Amend the Articles of Association

To consider and if though fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 5 & 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof) and other necessary approval(s), the Articles of

Association of the Company be and is hereby amended, by deleting existing Articles 1(i)(i) , 1(i)(j), 1(i)(k), 1(i)(n), 1(i)(o), 13(iii), 13(v) 13(vi), 15(ix), 27 and amending the Articles 13(ii), 13(xv)(a):

13(ii) The Board of Directors shall consist of such number of directors, as may be required or permitted under applicable law including the Act and SEBI LODR Regulations.

13(xv)(a) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.”

“**RESOLVED FURTHER THAT** that Board of Directors of the Company be and are hereby authorized to do and perform all such acts, deeds, matters and things as may be required or deemed necessary to give effect to this Resolution.”

By Order of the Board

Mukund Chandak
Company Secretary
ICSI Membership No. A20051

Registered Office:

Diamond Prestige 41A A.J.C Bose Road,
10th Floor, Kolkata-700017
Date: 13-08-2024

Notes:

1. The Explanatory Statement pursuant to Section 102(1) of the Act setting out material facts concerning the business under Item Nos. 5 to 7 of the Notice is annexed hereto and forms part of this Notice. The relevant details pursuant to 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“LODR”) and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are given in this Notice.

Additional information, pursuant to Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to re-appointment of the Auditors of the Company, as proposed under Item No. 4 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.

2. A Member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint one or more proxies to attend and vote instead of himself/ herself. Such proxy need not be a Member of the Company. The Instrument of Proxy, in order to be effective, must be lodged with the Company not less than 48 hours before the Meeting. A person can act as a Proxy on behalf of Members not exceeding fifty and holding in aggregate shares not more than 10 per cent of the total Share Capital of the Company. Proxies submitted on behalf of Companies/ Association of Persons (AoP) must be supported by an appropriate Resolution/ Authority, as applicable.

3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) the Company is providing facility of remote e-voting to its shareholders 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 agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by CDSL.
4. The physical attendance of Members at the AGM in person will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Corporate Members intending to appoint their authorized representatives pursuant to Section 112 and 113 of the Act, as the case may be, to vote through remote e-Voting are required to send a scanned copy of a certified copy of the Board Resolution/ Power of Attorney/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote by e-mail to the Scrutinizer at aklabhcs@gmail.com with a copy marked to www.evotingindia.com. Alternatively, they can also upload their Board Resolution / Power of Attorney/ Authority Letter etc. by clicking on “Upload Board Resolution/ Power of Attorney/ Authority Letter” displayed under “e-Voting” tab in their login.

6. In case of Joint holders, a member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote for the purposes of the AGM.
7. The Annual Report for the Financial Year 2023-24 along with Notice of the AGM, Attendance Slip and Proxy Form are being sent through electronic mode to those Members whose email addresses are registered with the RTA/Depository Participant(s). For members who have not registered their email addresses, physical copy of the aforesaid documents are being sent by the permitted mode. The physical copy of the Notice along with Annual Report shall also be made available to the Member(s) who may request for the same in writing to the Company.
8. Members may note that the Notice and Annual Report for the financial year ended 31 March 2024 is available on Company's website www.sencogoldanddiamonds.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of CDSL (agency for providing the remote e-Voting facility) at www.evoting.com.
9. Pursuant to Section 91 of the Companies Act of 2013, the Register of Members of the Company will remain closed from Saturday, 7th September, 2024 to Friday, 13th September, 2024 (both days inclusive) for the purpose of the Annual General Meeting.
10. The Board of Directors at its meeting held on 23rd May, 2024 has recommended a final dividend of Re. 1 per equity share of Rs 10/- each (10%) for the financial year ended 31st March 2024 subject to approval of the shareholders at the ensuing 30th AGM. The Dividend, if declared, will be paid, subject to deduction of tax at source, within 30 days from the date of the shareholders' approval to those persons whose names appear as beneficial owners in the statement(s) furnished by the Depositories as on the record date. The record date for determining the eligibility of the equity shareholders to the final dividend for the financial year ended 31st March, 2024 is fixed on Friday 6th September, 2024. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividends. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/ change in such bank account details.
11. The cut-off date for the purpose of determining the members eligible for participation in remote e-voting and voting during the AGM is Friday 6th September, 2024. Please note that a person whose name is recorded in the Register of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting. If members opt for remote e-voting, then they should not vote at the Meeting. However, once an e-vote on a resolution is cast by a member, such member is not permitted to change

it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again.

GENERAL INFORMATION TO SHAREHOLDERS

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013 and the Certificate from the Secretarial Auditor in respect of the Company's Employees Stock Option Scheme will be available for inspection during the AGM.
13. The new set of Articles of Association of the Company, proposed to be adopted at the ensuing AGM is uploaded on the website of the Company at www.sencogoldanddiamonds.com for inspection. Further a copy of the AOA would also be available for inspection by the Members at the Registered Office of the Company during the office hours on any working day except Saturdays, Sundays and public holidays between 11.00 A.M to 5.00 P.M. till the date of AGM. The aforesaid document shall also be available for inspection during the AGM.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify their Depository Participants (DPs) of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statements of holdings should be obtained from the concerned DPs and holdings should be verified from time to time
15. Members who would like to express their views/ ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their name, DP ID and Client ID and mobile number along with the queries at corporate@sencogold.co.in on or before Tuesday, 10th September 2024 (5:00 p.m. IST). Only those Members who have pre- registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers depending on the availability of time for the AGM.
16. The Board of Directors of the Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (Membership No. 4848, CP No.3238) of M/s A K Labh & Co, Company Secretaries as the Scrutinizer for conducting the remote e-voting process, fairly and transparently.
17. The facility for voting through ballot paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting.
18. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of the

Meeting or a person authorized by him/ her in writing, who shall countersign the same and declare the results of the voting forthwith.

19. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.sencogoldanddiamonds.com and on the notice board of the Company at its registered office and on the website of CDSL www.evotingindia.com immediately after the results are declared and simultaneously communicated to the Stock Exchanges where the Company's shares are listed. Subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM i.e., 13th September 2024.

20. The Landmark and Route Map of the venue of the AGM are given on the reverse of the Attendance Slip cum Proxy Form annexed with the Annual Report 2023-24.

21. Instructions for Members for Remote e-Voting (before the AGM) are as under:

i) The remote e-voting period begins on Tuesday, 10th September, 2024 at 09:00 a.m. and ends on Thursday, 12th September 2024 at 05:00 p.m. The remote e-voting module shall be disabled by CDSL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the cut-off date i.e. 6th September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their

share in the paid-up equity share capital of the Company as on the cut-off date.

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 09.12.2020, 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. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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.

(i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. 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:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <p>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 users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by the 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. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> |

| Type of shareholders | Login Method |
|---|--|
| | 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <p>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: https://eservices.nsdl.com 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 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.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 held 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.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | 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. |

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

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000 |

Step 2 : Access through CDSL e-Voting system in case of other than individual shareholders holding shares in demat mode.

(ii) Login method for e-Voting for other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website 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,
- 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 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 other than individual shareholders holding shares in Demat. | |
|--|--|
| PAN | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Depository Participants are requested to contact the RTA. |
| 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 <ul style="list-style-type: none"> • If both the details are not recorded with the depository, please enter the DP ID & Client ID in the Dividend Bank details field. |

- (iii) After entering these details appropriately, click on “SUBMIT” tab.
- (iv) 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.
- (v) Click on the EVSN for SENCO GOLD LIMITED.
- (vi) 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.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xi) 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.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) **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 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.
 - ◆ 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 delinked 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 at aklabhcs@gmail.com with a copy marked to corporate@sencogold.co.in if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Shareholders are requested to update their email id & mobile no. with their respective Depository Participant (DP) which is mandatory while e-Voting.

In case of any queries or issues regarding e-Voting from the CDSL e-Voting System, shareholders can write an email to 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 or call toll free no. 1800 22 55 33.

By Order of the Board

Mukund Chandak
Company Secretary
ICSI Membership No. A20051

Registered Office:

Diamond Prestige 41A A.J.C Bose Road,
10th Floor, Kolkata-700017

Date: 13-08-2024

Explanatory Statement

Item No. 4

The Members at the 25th Annual General Meeting ('AGM') held on 30th August, 2019 approved the appointment of M/S. Walker Chandio & Co. LLP (WCC), Chartered Accountants (Firm Registration Number: 001076N/N500013), as the Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM.

WCC will complete their present term on conclusion of this AGM. The Board of Directors of the Company ('the Board') at their meeting held on 13th February, 2024, on the recommendation of the Audit Committee ('the Committee'), and considering the experience & expertise of WCC and in the best interest of the Company, recommended for the approval of the Members, the re-appointment of WCC as the Statutory Auditor of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 35th AGM, in terms of Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The remuneration proposed to be payable to WCC for the financial year 2024-25 is Rs. 65.00 lacs (Rupees sixty five lacs only) plus applicable taxes, travelling and other out-of-pocket expenses incurred. The proposed remuneration is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

M/S Walker Chandio & Co LLP is registered with the Institute of Chartered Accountants of India (Registration No. 001076N/N500013). It is the fourth largest firm by the number of listed companies audited and has offices in Mumbai, Delhi, Kolkata, Chennai, Bengaluru, Ahmedabad, Hyderabad, Kochi, Pune, Chandigarh, Dehradun, Noida and Goa. The registered office of the WCC is L-41, Connaught Circus, Outer Circle, New Delhi - 110001 India.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested, financially or otherwise, in this Resolution.

The Board of Directors therefore recommends the resolutions as set out in Item No. 4 of the Notice for approval of members of the Company by way of Ordinary Resolution.

Item Nos.5 & 6

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow money, where the money to be borrowed, together the monies

already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceeds aggregate of the paid-up share capital, free reserves and securities premium of the Company, with the consent of the Shareholders of the Company by way of Special Resolution.

Keeping in view the increasing business activities and the future plans of the Company and to fulfil long term strategic and business objectives and expansion of international business of the company the Board of Directors at its meeting held on 13th August, 2024 proposed and approved the increase in the borrowing limit from Rs. 3,000 Crores (Rupees Three Thousand Crores) to Rs. 4,000 Crores (Rupees Four Thousand Crores) pursuant to Section 180 (1)(c) of the Companies Act, 2013 and accordingly, increase the limit for creation of charge to secure the indebtedness up to the aggregate limit of Rs. 4,000 Crores (Rupees Four Thousand Crores) pursuant to Section 180 (1)(a) of the Companies Act, 2013, subject to the approval of the members of the Company.

At the Annual General Meeting ("AGM") of the Company held on 27th June, 2023, the members of the Company had accorded their consent to the Company for borrowing monies (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) up to Rs. 3,000 Crores under Section 180(1)(c) of the Companies Act, 2013. The members of the Company at the said AGM had also accorded their consent to the Board to create charge on properties or assets of the Company to secure borrowings up to Rs. 3,000 crores under Section 180(1)(a) of the Companies Act, 2013.

Further, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors have the powers to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company with the consent of the Shareholders of the Company by way of a Special Resolution.

In order to secure the borrowings, the Company may be required to create security by way of mortgage/ charge/ hypothecation on its assets and properties both present and future. The terms of such security may include a right in certain events of default to take over control of the said assets and properties of the Company. Since creation of charge on properties and assets of the Company with the right of taking over the control in certain events of default may be considered to be a sale/ lease/ disposal of the Company's undertaking within the meaning of Section 180(1)(a) of the Companies Act, 2013, it is proposed to seek approval of the shareholders of the Company for increasing the existing limits to Rs. 4,000 Crores.

Accordingly, the approval of the members of the Company is sought for increase in the borrowing limits and to secure such borrowings by the creation of charge on assets/properties of the Company up to Rs. 4000 Crores as stated in the resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the special resolutions set out at Item Nos. 5 & 6 of the Notice.

The Board of Directors therefore recommends the resolutions as set out in Item Nos. 5 and 6 of the Notice for approval of members of the Company by way of Special Resolutions.

Item No. 7

The Articles of Association (AOA) of the Company were approved and adopted by the shareholders of the Company prior to the initial public offer and listing of the shares of the Company at stock exchanges. The Shares of the Company have now been listed with National Stock Exchange of India Limited and BSE Limited with effect from 14th July, 2023 and with listing of the shares of the Company on these stock exchanges most of the articles of the existing Articles of Association of the Company have become redundant as it contained details of shareholders agreement entered between the Company & PE Investors and hence there is a need to amend the articles of the Company.

In terms of Sections 5 and 14 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, the consent of the Members by way of Special Resolution is required for amendment of the existing Articles of Association of the Company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution

By Order of the Board

Mukund Chandak
Company Secretary
ICSI Membership No. A20051

Registered Office:

Diamond Prestige 41A A.J.C Bose Road,
10th Floor, Kolkata-700017
Date: 13-08-2024

Details of director seeking re-appointment at the forthcoming Annual General Meeting (in pursuance of Regulation 36(3) of the Listing Regulations and clause 1.2.5 of Secretarial Standard - 2 on General Meetings)

| | | |
|---------|--|--|
| Sl. No. | Name of the Director | Mr. Suvankar Sen |
| 1 | Directors Identification Number (DIN) | 01178803 |
| 2 | Designation/ Category of Directorship | Managing Director & CEO |
| 3 | Date of Birth /Age | 11/10/1983 /41 yrs |
| 4 | Nationality | Indian |
| 5 | Date of first appointment on the Board | 17-02-2005 |
| 6 | Qualification and Experience in specific functional areas | Mr. Suvankar Sen holds a degree in Bachelor of Science with Honours in Economics from St. Xavier's College, University of Calcutta. He also holds a post-graduate diploma in Business Management from the Institute of Management Technology, Ghaziabad and has over 17 years of experience in the jewellery industry. |
| 7 | Terms & Conditions of Appointment/ Reappointment | Liable to retire by rotation and being eligible, Mr. Suvankar Sen is proposed to be reappointed at the AGM. |
| 8 | Details of remuneration sought to be paid | As per the Agreement entered into between the Company and Mr. Suvankar Sen |
| 9 | Last drawn remuneration | Rs. 3,10,70,160 |
| 10 | Directorships held in other public limited companies | Nil |
| 11 | Committee position held in other Companies | Nil |
| 12 | Listed Entity from which the Director has resigned in the last three years | Nil |
| 13 | No. of Board Meetings attended during the year | 14 |
| 14 | No. of shares held in the Company as on 31-03-2024 | |
| | (a) Self | 1,18,92,328 |
| | (b) As beneficial owner | Nil |
| 15 | Relationship with other Directors/KMP | Son of Mrs. Ranjana Sen & Spouse of Mrs. Joita Sen |

By Order of the Board

Mukund Chandak
Company Secretary
ICSI Membership No. A20051

Registered Office:

Diamond Prestige 41A A.J.C Bose Road,
10th Floor, Kolkata-700017

Date: 13-08-2024



SENCO GOLD LIMITED

CIN: L36911WB1994PLC064637

Registered & Corporate Office: "Diamond Prestige", 41A, A.J.C. Bose Road,
10th Floor, Kolkata-700017

Phone: 033 4021 5000/5004

Email: corporate@sencogold.co.in , Website: <https://sencogoldanddiamonds.com>

30th ANNUAL GENERAL MEETING ON 13th SEPTEMBER, 2024

Attendance Slip

- | | |
|----------------------------------|--|
| 1. Name of the Member(s) : | |
| 2. Registered Address : | |
| 3. E-mail ID : | |
| 4. DP ID & Client ID No : | |
| 5. No. of Equity Share(s) held : | |

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company held on Friday, the 13th of September, 2024 at 11.30 A.M. at Kala Kunj (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700 017

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note: Please complete the Name, Address and DP ID & Client ID No., sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

Note : The e-Voting period starts from 9:00 A.M. on 10th September, 2024 and ends at 5:00 P.M. on 12th September, 2024. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by CDSL.



SENCO GOLD LIMITED

CIN: L36911WB1994PLC064637

Registered & Corporate Office: "Diamond Prestige", 41A, A.J.C. Bose Road, 10th Floor, Kolkata-700017

Phone: 033 4021 5000/5004

Email: corporate@sencogold.co.in, Website: <https://sencogoldanddiamonds.com>

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

| | | |
|----|-----------------------------|---|
| 1. | Name of the Member(s) | : |
| 2. | Registered Address | : |
| 3. | E-mail ID | : |
| 4. | DP ID & Client ID No | : |
| 5. | No. of Equity Share(s) held | : |

I/We, being the member(s) of shares of the above named Company, hereby appoint:

- Name:
Address:
Email ID:
- Name:
Address:
Email ID:
- Name:
Address:
Email ID:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday, the 13th day of September, 2024 at 11.30 A.M. at Kala Kunj (within the premises of Kala Mandir), 48, Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of such resolutions as indicated below:

| Resolution No. | Resolution Proposed | Please tick (✓) |
|----------------|---|-----------------|
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon and the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2024. | |
| 2. | To declare final dividend of Re. 1/- (10%) per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2024 and to confirm the interim dividend of Re. 1/- (10%) per equity share, already paid during the financial year 2023-24. | |
| 3. | To appoint a director in place of Mr. Suvankar Sen (DIN: 01178803) who retires by rotation and being eligible, offers himself for re-appointment. | |
| 4. | Re-appointment of M/s. Walker Chandiok & Co, LLP, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration. | |
| 5. | To borrow in excess of the limits provided under section 180 (1)(c) of the Companies Act, 2013. | |
| 6. | To approve the power to create charge on the assets of the company to secure borrowings up to Rs. 4000 Crores pursuant to section 180(1)(a) of the Companies Act, 2013. | |
| 7. | To Amend the Articles of Association. | |

Signed this day of, 2024

DP ID / Client ID Signature of Shareholder(s)

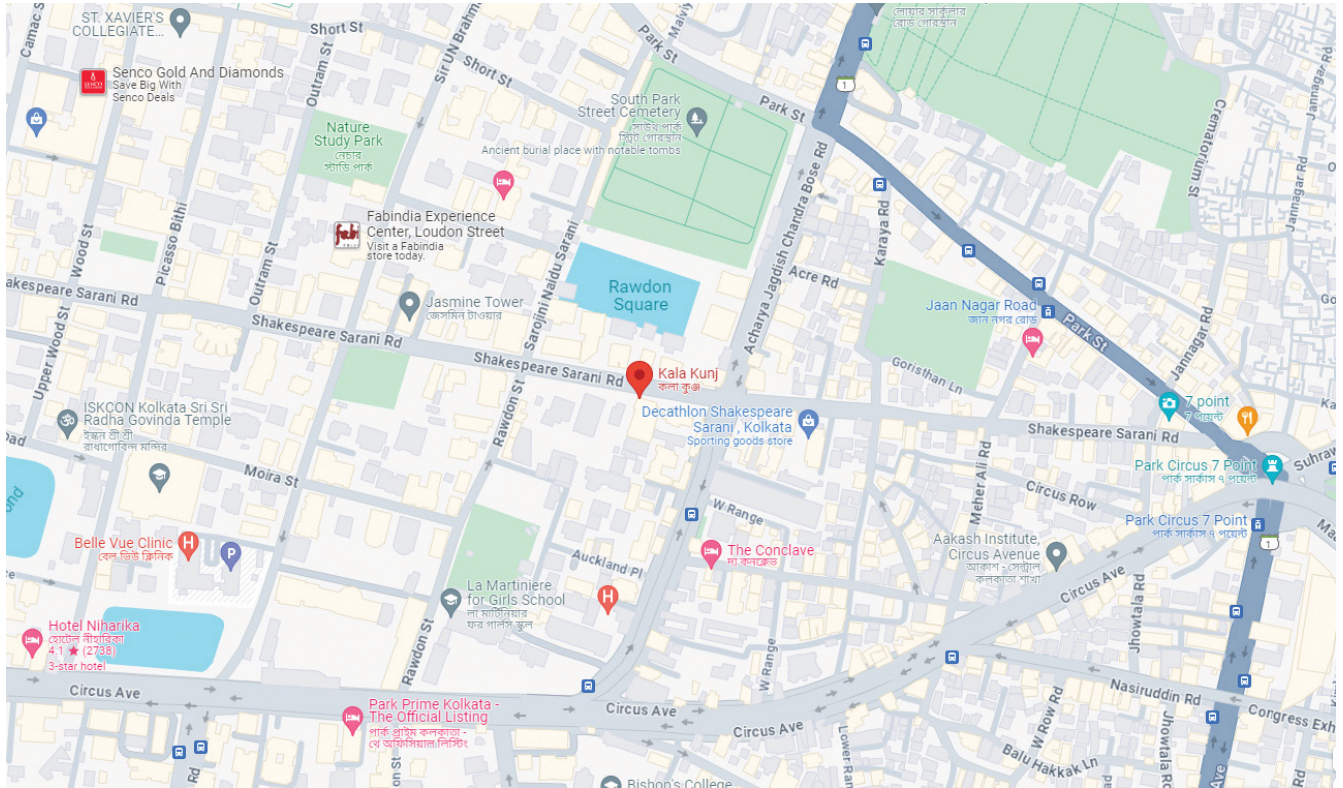
Signature of Proxyholder(s)

Affix
Revenue
Stamp

- Notes :
- This form of proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
 - For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the Annual General Meeting dated 13th August, 2024.
 - A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Paid up Share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the Paid up Share Capital of the Company, then such proxy shall not act as a proxy for any other person or Member.

Route Map of 30th Annual General Meeting

Kala Kunj (within the premises of Kala Mandir) 48, Shakespeare Sarani, Kolkata- 700017



SENCO GOLD LIMITED
CIN: L36911WB1994PLC064637
Registered & Corporate Office: "Diamond Prestige",
41A, A.J.C. Bose Road, 10th Floor, Kolkata-700017

