



Narbada
Gems and Jewellery Limited

Date: 31.08.2019

To
The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Sub: Notice of 27th Annual General meeting and Annual Report 2018-19

Ref: Scrip Code: 519455

Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find the enclosed copy of Annual Report of the Company for the Financial Year 2018-19, convening the 27th Annual General Meeting of the Company to be held on Friday, 27th September, 2019 at 11:00 A.M. at Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001.

This is for your information and records in compliance with the Listing Regulations.

Thanking You

Yours Faithfully

For NARBADA GEMS AND JEWELLERY LIMITED



(ASHISH KUMAR GUPTA)
Company Secretary

Encl: As stated above

Registered Office:

3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad-500 029, Telangana, India,
Ph: +91-40-48506411; Email : comsec@narbadajewellery.com; Website: www.narbadajewellery.com

Manufacturer, Exporter, Wholesalers, Retailers.



Narbada

Rosecut & Flat Diamond Jewellery

27th

**ANNUAL
REPORT**

2 0 1 8 - 2 0 1 9

NARBADA GEMS AND JEWELLERY LIMITED

Manufacturers and Exporters



Jashn™
ROBEUCIT DIAMOND JEWELLERY



Jashn™
ROBEUCIT DIAMOND JEWELLERY

GREEN INITIATIVE IN CORPORATE GOVERNANCE

Dear shareholders,

The Ministry of Corporate Affairs (“MCA”) vide its circulars dated 21.04.2011 and 29.04.2011 has taken a “Green Initiative in Corporate Governance” thereby allowing companies to serve electronic documents to its shareholders.

Environment conservation and sustainable development are continuously on your Company’s radar and therefore your Company supports MCA in this initiative. Accordingly, henceforth, we propose to send documents such as notices of general meeting(s), annual reports and other communications to the shareholders through e-mail. Please note that all such documents shall be kept open for inspection at the registered office of the Company during the office hours.

We solicit your valuable cooperation and support in our endeavour to contribute our bit to the environment. You are requested to please fill the details in the format provided below. Please note that the fields marked “*” are mandatory to fill.

Registered Folio or DP Id – Client ID *

Full Name *

Email ID *

Contact no. :

Declaration: (Select whichever is applicable) *

I agree to receive the communication through e-mail

I agree to receive the communication through physical mode

In case there is any change in your e-mail ID or any other details, please e-mail us the details at comsec@narbadajewellery.com or contact us. In case of shares held in electronic form, you are requested to inform your DP as well.

BOARD OF DIRECTORS

Shri Sanjay Kumar Sanghi	- Managing Director
Shri Ritesh Kumar Sanghi	- Director
Smt. Bhavna Sanghi	- Director
Shri Siddharth Goel	- Director
Shri Ramprasad Vempati	- Director
Shri Vinod Agarwal	- Director
Mr. Bajranglal Agarwal	- Chief Financial Officer
Mr. Ashish Kumar Gupta	- Company Secretary
Mr. Praveen Kumar Agarwal	- Additional Director (Independent) (w.e.f. 13.08.2019)
Mr. Tejas Sanghi	- Additional Director (w.e.f. 13.08.2019)

AUDITORS

M/s D.V. Aditya & Co.
Chartered Accountants,
2-2-3/1/2, Shivam Road,
Hyderabad- 500 044



BANKERS

KOTAK MAHINDRA BANK LTD
STATE BANK OF INDIA
ICICI BANK

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

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NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of **NARBADA GEMS AND JEWELLERY LIMITED** will be held Friday, **27th September, 2019** at 11:00 A.M. at Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001, Telangana to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements for the year ended on 31st March, 2019 and the Report of the Board of Directors and Auditors thereon.**
2. **To re-appoint Mrs. Bhavna Sanghi, Director (DIN: 02681438), who retires by rotation and being eligible, offers herself for re-appointment.**

SPECIAL BUSINESS:

3. **To re-appoint Shri Ramprasad Vempati (DIN: 01903161) as an Independent Director of the Company, and in this regard, to pass, with or without modifications, the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Ramprasad Vempati (DIN: 01903161), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and recommendation of the Nomination and Remuneration Committee of the Board, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. 23rd September, 2019.”

4. **To re-appoint Shri Siddharth Goel (DIN: 03022978) as an Independent Director of the Company, and in this regard, to pass, with or without modifications, the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies

(Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Siddharth Goel (DIN: 03022978), who was appointed as an Independent Director and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and recommendation of the Nomination and Remuneration Committee of the Board, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company 23rd September, 2019.”

5. To appoint Shri Praveen Kumar Agarwal (DIN: 02012257) as an Independent Director of the Company, and in this regard, to pass, with or without modifications, the following resolution as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules framed there under as read with Schedule IV to the Act, as amended from time to time, and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in accordance with the Articles of Association of the Company, Shri Praveen Kumar Agarwal (DIN: 02012257), who was proposed by the Board to be appointed as Independent Director at Board meeting held on 13th August, 2019 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director and recommendation of the Nomination and Remuneration Committee of the Board, be and is hereby appointed as an Independent Director of the Company w.e.f 27th September, 2019, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board, without any remuneration.”

6. To appoint Mr. Tejas Sanghi (DIN: 05272447) as Director of the Company, and in this regard, to pass, with or without modifications, the following resolution as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Tejas Sanghi (DIN; 05272447) who was appointed as an Additional Director of the Company by the Board of Directors and recommended to be appointed as Director, at Board meeting held on 13th August,

2019 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from a member of the Company, under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the Company's policy on Related Party transaction(s), approval of the members be and is hereby accorded to enter into transactions with 'Uday Jewellery Industries Limited', a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for a period from 1st October, 2019 to 30th September, 2020 on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 20,00,00,000/- (Rupees Twenty Crores only), at arm's length basis and in the ordinary course of business of the Company."

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

For and on behalf of the Board

Sd/-

Sanjay Kumar Sanghi

Managing Director

DIN: 00629693

Address: 8-2-686/DR/6 and 7, Road No. 12,
Banjara Hills, Hyderabad - 500034

Date: 13.08.2019

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

NOTES:

1. Any Member entitled to attend and vote is entitled to appoint proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, to be effective, should be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2019 to 27th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
3. All correspondence and share transfer documents must be addressed to the Share Transfer Agents.
4. Member who hold shares in dematerialized form are requested to bring their clients Id and DPID number for easy identification of their attendance at the meeting.
5. Members holding the shares in physical and electronic form are required to inform immediately the changes, if any, in their address of Share Transfer Agents.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
7. Instructions for e-voting facility being provided through CDSL are given elsewhere in the Notice.
8. Members / Proxies are requested to bring their attendance slips along with their copies of Annual Report to the Meeting.
9. The Equity Shares of the Company are in Compulsory Trading in dematerialized form (Scripless trading in electronic form) through Depository Participants. The ISIN Code is INE540C01021.
10. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN and Bank details to the Registrar and Share Transfer Agents of the Company.
12. The relevant documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, between 11.00 A.M. and 01.00 P.M. up to the date of the declaration of result.
13. A Member can opt only one mode for voting i.e. either Physical or e-voting. In case a member opts e-voting, he cannot exercise his vote through postal ballot form and vice-versa. However,

in case member(s) cast their vote both by Physical Ballot and e-voting, then the voting done through physical Ballot shall prevail and voting done by e- voting will be treated as invalid. Instructions for e-voting facility being provided through CDSL are given elsewhere in the Notice.

14. Shri Ajay S. Shrivastava, Practicing Company Secretary has been appointed as “Scrutinizer” for the Business mentioned to be conducted by e-voting and Poll.
15. The Results of the e-voting and Poll will be declared by the Directors by 28th September, 2019, by 05:00 P.M. at the Registered Office of the Company at Hyderabad and shall be hosted on the website of the Company www.narbadajewellery.com and on website of the Stock Exchange www.bseindia.com .
16. The Explanatory Statements under Section 102(1) of the Companies Act, 2013 in respect of Item No. 3, 4, 5, 6 and 7 are annexed herewith.
17. Details of Directors retiring by rotation / seeking appointment / re-appointment at the ensuing Meeting are provided in the “Annexure” to the Notice pursuant to the provisions of (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

18. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL). The e- voting particulars are as under:

EVSN(Electronic Voting Sequence Number)	Remote e-Voting start on	Remote e-Voting end on
190808019	24th September, 2019 at 09:00 A.M. (IST)	26th September, 2019 at 05:00 P.M. (IST)

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

III. The process and manner for remote e-voting are as under:

- (i) The remote e-voting period commences on **Tuesday, 24th September, 2019 at 09:00 A.M and ends on Thursday, 26th September, 2019 at 05:00 P.M.** During this period

members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **20th September, 2019** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Rakesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format</p>
Bank Account Number (DBD)	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name i.e. **‘NARBADA GEMS AND JEWELLERY LIMITED’** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - 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 they have to create a compliance user which 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact them at 1800 200 5533
- (xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store.
19. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at comsec@narbadajewellery.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 26th September, 2019, upto 5:00 P.M. without which the vote shall not be treated as valid.
20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of **20th September, 2019**. A person who is not a member as on cut off date should treat this notice for information purpose only.
21. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficiary owners as at closing hours of business, **on 16th August, 2019**.
22. The shareholders shall have one vote per equity share held by them as on the cut-off date of 20th September, 2019. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
23. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2019 and not casting their vote electronically, may only cast their vote at the Annual General Meeting by Poll.
24. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.

25. Investors, who became members of the Company subsequent to the dispatch of the Notice / Email and hold the shares as on the cut-off date i.e. 20th September, 2019 are requested to send the written / email communication to the Company at comsec@narbadajewellery.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
26. Mr. Ajay S. Shrivastava, Practicing Company Secretary (Certificate of Practice Number 3479) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.narbadajewellery.com and on the website of CDSL. The same will be communicated to the stock exchange viz. BSE Limited.



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

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

Item Nos. 3 and 4:

Shri Ramprasad Vempati (DIN: 01903161) and Shri Siddharth Goel (DIN: 03022978) were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange. They hold office as Independent Directors of the Company up to the conclusion of the ensuing Annual General Meeting of the Company (“first term” in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Shri Ramprasad Vempati and Shri Siddharth Goel, as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Shri Ramprasad Vempati and Shri Siddharth Goel, would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Shri Ramprasad Vempati and Shri Siddharth Goel, as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

In accordance with Section 149(6) of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Shri Ramprasad Vempati and Shri Siddharth Goel meet the criteria of independence as prescribed.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board’s report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Shri Ramprasad Vempati and Shri Siddharth Goel, are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member under Section 160 of the Act proposing the candidature of Shri Ramprasad Vempati and Shri Siddharth Goel for the office of Independent Directors of the Company.

The Company has also received declarations from Shri Ramprasad Vempati and Shri Siddharth Goel, that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 3 and 4 are provided in the “**Annexure**” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India

The Board commends the Special Resolutions set out at Item Nos. 3 and 4 of the Notice for approval by the members.

None of the Directors and KMPs, are in any way interested or concerned in the said resolution.

Item no. 5:

The Board of Directors of the Company had appointed Shri Praveen Kumar Agarwal (DIN: 02012257) as an Additional Director of the Company w.e.f. 13th August, 2019. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Praveen Kumar Agarwal shall hold office up to the date of ensuing Annual General meeting of the Company. He is proposed to be appointed as Independent Director on the Board of the Company pursuant to the provisions of Section 149 and 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee of the Board has recommended his appointment which was further approved by the Board. Shri Praveen Kumar Agarwal is proposed to hold office as Independent Director of the Company for a term of 5 (Five) consecutive years in line with the provisions of Sections 149(10) and 149(11) of the Act and shall not be liable to retire by rotation.

In accordance with Section 149 of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Shri Praveen Kumar Agarwal meets the criteria of independence as prescribed and the Company has received a declaration from him in this regard.

The notice from a member under Section 160(1) of the Act proposing his candidature, the declaration for non-disqualification under Section 164 of the Act, declaration of independence, disclosure under Section 184(1) of the Act and consent for appointment have been received. His brief profile is placed before the members for perusal.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 5 of the Notice for the appointment of Mr. Praveen Kumar Agarwal as an Independent Director, not liable to retire by rotation.

A statement containing his profile is given as per **Annexure**

Except Mr. Praveen Kumar Agarwal and his relatives, none of the Directors and KMPs, are in any way interested or concerned in the said resolution.

Item No. 6:

Mr. Tejas Sanghi (DIN: 05272447) was appointed as an Additional Director with effect from 13th August 2019 by the Board of Directors of the Company and also recommended to be appointed as Director of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mr. Tejas Sanghi holds office upto the date of this Annual General Meeting as Additional Director, but is eligible for the appointment as a Director. The Company has received a Notice in writing from a member of the Company, under Section 160 of the Act, proposing his candidature for the office of Director.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 6 of the Notice for the appointment of Mr. Tejas Sanghi as a Director, liable to retire by rotation.

A statement containing his profile is given as per **Annexure**

Except Mr. Sanjay Kumar Sanghi being relative of the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

Item No. 7:

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

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

Uday Jewellery Industries Limited comes under the ambit of Related Party for the purpose of Related Party Transaction(s) in terms of provisions of the Act and Listing Regulations.

Hence, approval of the shareholders is being sought for the said Related Party Transactions proposed to be entered into by your Company with Uday Jewellery Industries Limited for a period of 12 months starting from 1st October, 2019 to 30th September, 2020.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with Uday Jewellery Industries Limited are as follows:

SI No.	Particulars	Details
1.	Name of the Related Party and nature of relationship	Uday Jewellery Industries Limited- a. Majority of Directors are common; b. Under the same Promoter Group.
2.	Nature of Contract	1. Purchase/ Sale of various manufactured products and Bullion Gold; 2. Availing/ rendering Jobwork and allied services.
3.	Period of Contract	From 01.10.2019 to 30.09.2020
4.	Approximate Value of Transactions	Upto Rs. 20,00,00,000/- (Rupees Twenty Crores only).
5.	Prior Approvals (if any)	Approval of Board / Audit committee is duly taken

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

The Board of Directors recommends passing of the resolution as set out at item no. 7 of this Notice as an Ordinary Resolution.

For and on behalf of the Board

Sd/-

Sanjay Kumar Sanghi

Managing Director

DIN: 00629693

Address: 8-2-686/DR/6 and 7, Road No. 12,
Banjara Hills, Hyderabad - 500034

Date: 13.08.2019

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

ANNEXURE

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING**

Name of Directors	Re-Appointment		Appointment		Rotation
	Mr. Ramprasad Vempati	Mr. Siddharth Goel	Mr. Praveen Kumar Agarwal	Mr. Tejas Sanghi	Mrs. Bhavna Sanghi
Date of Birth	06.11.1956	01.03.1985	27.10.1968	01.10.1993	26.09.1974
Date of Appointment/ Re-appointment	27.09.2019	27.09.2019	27.09.2019	27.09.2019	27.09.2019
Qualification	Graduate	Graduate	Graduate	Graduate in Gemology, MBA	Graduate
Expertise in specific functional Area	Finance and Accounting	Business Administration and Strategic Management	Business Administration	Jewellery Industry	Jewellery Industry
List of Public Ltd. Companies (in India) in which outside Directorships held	1. R.V.K Enterprises And Exports Limited 2. Uday Jewellery Industries Ltd.	1.The Hyderabad Construction Company Limited 2. Uday Jewellery Industries Ltd.	0	0	1. Trisa Retail Limited
Membership/Chairmanships of Committees of Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	4	4	0	0	0

DIRECTORS' REPORT

To
The Members,
NARBADA GEMS AND JEWELLERY LIMITED

Your Directors have great pleasure in presenting the Twenty Seventh Annual Report along with the Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

1. FINANCIAL HIGHLIGHTS: (Rs. In Lakhs)

Particulars	31st March, 2019	31st March, 2018
Revenue from operations	4057.20	2626.49
Other Income	12.56	0.02
Total Revenue	4069.76	2626.51
Expenses	3869.57	2468.25
Profit before Tax	200.19	158.26
Tax Expense		
Current tax	55.00	45.09
Deferred tax	1.19	(0.08)
Profit after Tax	143.99	113.25
Earnings per Equity share	1.60	2.28

2. STATE OF COMPANY'S AFFAIRS:

During the year under review, your Company has achieved a turnover of Rs. 4057.20 Lakhs against Rs. 2626.49 Lakhs during previous year registering a growth of 54.47% over the previous year on account of improved long term finance availability due to the fresh share capital infusion. The Company reported a Net Profit of Rs. 143.99 Lakhs as against Rs. 113.25 Lakhs earned during previous year registering a growth of 27.14% which remained subdued due to volatile market conditions and price competition.

3. FUTURE PROSPECT:

The changes expected in the product – mix portfolio of the Company augers well in the long run to improve the profits. The vision of your company is to fulfill the royal aspirations of the bride with exclusive heritage jewellery.

It is expected that the polarisation positive impact on the organized sector is likely to be visible operationally within a couple of years that would go a long way in improving the margin and turnover.

The strategy of the Company is to target multiple sales channels, online selling of products and to explore overseas market as the products are contemporary and have a large audience.

The various initiatives taken by the Company in formulating strategies & implementation on all sphere of business activities will result in a sustainable profit growth over a period of time.

4. DIVIDEND:

In order to conserve resources for further expansion of the Company's business, your Directors have opined to not recommend any dividend for the year 2018-19.

5. RESERVES:

Amount to be carried forward to the reserves is Rs.143.99 Lakhs being profit for the year.

6. AMOUNT TRANSFERRED TO INVESTOR EDUCATION & PROTECTION FUND

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

7. SHARE CAPITAL:

The Share Capital of your Company is Rs. 9,94,24,100/- divided into 99,42,410 Equity shares of Rs. 10/- each with Voting Rights as on 31.03.2019.

During the year under review, the Company has allotted 19,30,400 new Equity shares of Rs. 10/- each at a Premium of Rs. 2.50/- each upon conversion of warrants issued under Preferential Issue. The proceeds from the said issue were utilized to meet the working capital requirements of the business.

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

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

b. Issue of Sweat Equity Shares:

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

c. Issue of Equity Shares with Differential Voting Rights:

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

d. Issue of Employee Stock Option:

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

8. PUBLIC DEPOSITS:

There were no outstanding deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. at the end of the financial year. Your Company did not accept any such deposits during the financial year 2018-19 and the Company has duly filed the required returns accordingly.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

10. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

Your Company has no Subsidiaries, Joint Ventures & Associate Companies.

11. DEPOSITORY SYSTEM:

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) 8.02% and Central Depository Services (I) Ltd. (CDSL). 82.72 per cent of the total shareholding of the Company was held in dematerialized form as on 31st March 2019. All further issue of shares have been in demat form only.

12. CORPORATE GOVERNANCE:

Corporate Governance is all about ethical conduct, transparency, integrity and accountability of an enterprise. The code of governance is based on the principles of making all the necessary decisions and disclosures, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a fair, transparent and ethical manner.

The Corporate Governance Principles implemented by the Company seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosures to them. Your Company has been constantly reviewing and benchmarking itself with well-established standards of Corporate Governance besides strictly complying with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is to be noted that pursuant to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V does not apply to your Company as its paid-up share capital does not exceed Rs. 10 Crores and net worth does not exceed Rs. 25 Crores, as on the last day of previous financial year ended 31st March, 2019. However, the Board of Directors and the management of the Company believe that the compliance of law should be in true letter and spirit and that the Company's legacy of fair, transparent and ethical governance practices shall be maintained.

13. DIRECTORS:

As at 31st March, 2019, the Board consist of Six Directors including Three Independent (Non-Executive Directors). The declaration from all the Independent Directors are obtained both at the time of appointment and at the First Board meeting of each Financial Year.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Bhavna Sanghi, Director (DIN: 02681438), of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment.

Shri Ramprasad Vempati (DIN: 01903161), Siddharth Goel (DIN: 03022978) and Shri Vinod Agarwal (DIN: 00914894), were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchange on 23rd September, 2014. They hold office as Independent Directors of the Company up to the conclusion of the ensuing Annual General Meeting of the Company ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act). The Nomination and Remuneration Committee of the Board, on the basis of performance evaluation of Independent Directors, has recommended re-appointment of Shri Ramprasad Vempati and Shri Siddharth Goel, as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. 23rd September, 2019 .

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a Special Resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Further, during the period under review Mr. Praveen Kumar Agarwal was appointed as Additional Director, it is proposed to appoint Mr. Praveen Kumar Agarwal (DIN: 02012257) as Independent Director of the Company to hold office for a term of 5 (Five) consecutive years in line with the provisions of Sections 149(10) and 149(11) of the Act. He meets the criteria of independent director as specified under Section 149(6) of the Act. The Board recommends his appointment.

Mr. Tejas Sanghi (DIN: 05272447) has been appointed as an Additional Director of the Company with effect from 13th August 2019 by the Board of Directors. In terms of Section 161(1) of the Companies Act, 2013, Mr. Tejas Sanghi holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a member in writing under Section 160 of the Act, proposing his candidature for the office of Director. The Board recommends his appointment as Director of the Company.

14. KEY MANAGERIAL PERSONNEL(KMP):

In compliance with the requirements of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company as on 31.03.2019:

- | | |
|-----------------------------|---------------------------|
| 1. Shri Sanjay Kumar Sanghi | - Managing Director |
| 2. Shri Bajranglal Agarwal | - Chief Financial officer |
| 3. Shri Ashish Gupta | - Company Secretary |

15. DECLARATION BY INDEPENDENT DIRECTORS:

In accordance with Sub-section (7) of Section 149 of the Companies Act, 2013(hereinafter called as "The Act"), the Independent Directors on your Board have given a Declaration that

they meet the criteria of Independence as provided in sub section (6) of Section 149 of the Act. There has been no change in terms and conditions of appointment of Independent Directors, the Policy relating to their appointment is available on the website of the Company www.narbadajewellery.com.

During the year under review, the separate meeting of Independent Directors of the Company without the presence of non-independent directors and members of the management and all the independent directors were present in the meeting held on 21st January, 2019 in Compliance with the Regulation 25 of SEBI (LODR) Regulations, 2015, in which the following matters were considered:.

- I. Review of the performance of all the non-independent directors and the Board as a whole;
- II. Review of the performance of the Chairman of the Company, taking into accounts the views of Executive Directors and Non-Executive Directors; and
- III. Assessment of the quality, quantity and timeliness of flow of information among the Company, management and the Board, which is necessary for the Board to effectively and reasonably perform their duties.

16. MANAGERIAL REMUNERATION

No remuneration is paid to the Managing Director or the Whole-time Directors of the Company. The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration) Rules, 2014 and Companies (Particulars of Employees) Rules 1975, in respect of employees of the Company and Directors is furnished hereunder:

- i) **Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2018-19 are as follows:**

Name	Designation	Remuneration (in Rs.)		Increase %
		2018-19	2017-18	
Sanjay Kumar Sanghi	Managing Director	-	-	-
Ritesh Kumar Sanghi	Director	-	-	-
Bajranglal Agarwal	Chief Financial Officer	6,00,000	5,97,157	-
Ashish Kumar Gupta	Company Secretary	4,15,207	1,06,656*	-

*For the part of financial year

- ii) Number of permanent employees on the rolls of the Company as on 31st March, 2019 are 58.

17. COMMITTEES OF THE BOARD:

The Board has constituted three committees at present:

- Audit committee;
- Nomination and Remuneration committee;
- Stakeholders Relationship committee,

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. The Board oversees the functioning of the Committees. Detailed terms of reference, composition, meetings and other information of each of the Committees of the Board is detailed herein below:

17A. AUDIT COMMITTEE:

The constitution of Audit Committee of the Board is in compliance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The details of the members of the Audit Committee and their attendance in the Committee meetings are as under:

S No.	Name of the Director	Category	Number of meetings during the FY 2018-19	
			Held	Attended
1.	Shri Ramprasad Vempati Chairman	Independent Non- Executive	4	4
2.	Shri Siddharth Goel	Independent Non- Executive	4	4
3.	Shri Vinod Agarwal	Independent Non- Executive	4	3

Four (4) Audit committee meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are as follows: 30.05.2018, 14.08.2018, 14.11.2018 and 14.02.2019. The necessary quorum was present for all the meetings.

The terms of reference of the Audit Committee are broadly given under:

- The recommendations for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transaction of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Review the functioning of the whistle blower mechanism;
- Approval of transactions with related parties.

17B. NOMINATION AND REMUNERATION COMMITTEE:

The constitution of Nomination and Remuneration Committee is in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Nominations and Remuneration Committee constituted by the Company is responsible for looking into the remuneration payable to the Whole-time Directors and other Employees of the Company. The Committee also approves the Remuneration Policy for employees other than Whole-time Directors of the Company, as may be recommended to it. The Company has formulated a policy on nomination and remuneration of directors in accordance with Section 178 (3) of the Companies Act, 2013 and same is available on the website of the Company www.narbadajewellery.com

The Nomination and Remuneration Committee of the Company as at 31.03.2019 comprises of three directors, all of them being non-executive independent directors:

S. No.	Name of the Director	Category
1.	Shri Vinod Agarwal- Chairman	Independent Non- Executive
2.	Shri Siddharth Goel	Independent Non- Executive
3.	Shri Ramprasad Vempati	Independent Non- Executive

During the year under review, there was no meeting of the committee.

17C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors' grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports and other related complaints.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

S No.	Name of the Director	Category	Number of meetings during the FY 2018-19	
			Held	Attended
1.	Shri Vinod Agarwal (Chairman)	Independent Non- Executive	18	10
2.	Shri Siddharth Goel	Independent Non- Executive	18	18
3.	Shri Ramprasad Vempati	Independent Non- Executive	18	18

The meetings of the stakeholders' relationship committee were held on 10.04.2018, 20.04.2018, 16.05.2018, 19.05.2018, 20.06.2018, 10.09.2018, 20.09.2018, 31.10.2018, 20.11.2018, 30.11.2018, 20.12.2018, 31.12.2018, 10.01.2019, 21.01.2019, 09.02.2019, 20.02.2019, 20.03.2019 and 30.03.2019 during the year, mainly for approval of share transfers, transmission and issue of duplicate share certificates.

18. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual accounts for the year ended 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

19. CODE OF CONDUCT:

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct. The Code is applicable to the members of the Board, the executive officers, the members of the management one level below the executive directors, including all functional heads of the Company. The Code is available on the website of the Company www.narbadajewellery.com. All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2019.

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

During the year, Eight Board Meetings were convened and held. The dates on which the said meetings were held are: 05.05.2018, 30.05.2018, 14.08.2018, 26.09.2018, 14.11.2018, 26.11.2018, 24.01.2019, and 14.02.2019, the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

21. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

Pursuant to the Listing Regulations, the Company has familiarized the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc..

The details of the familiarization programme of Independent Directors is updated at the website of the Company at www.narbadajewellery.com

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

23. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. There were no such complaints received under the policy during the year. The internal committee is headed by Mrs. Bhavna Sanghi, Director of the Company.

24. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

25. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.

During the financial year ended 31st March 2019 under review, there were no cases pertaining to Whistle Blower Policy. The said policy of the Company can be accessed at www.narbadajewellery.com

26. PREVENTION OF INSIDER TRADING:

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

27. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

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

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

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

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

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

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**A. Conservation of Energy**

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

B. Technology Absorption

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, the foreign exchange earnings of the Company is Rs. 544.95 Lacs only.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

31. STATUTORY AUDITORS AND AUDITORS' REPORT:

As per the provisions of Section 139 of the Companies Act, 2013. M/s D.V. Aditya & Co., Chartered Accountants, (Firm Reg. No. 000044S), were appointed as Statutory Auditors of the Company by the members /shareholders in the Annual General Meeting held on 16th November, 2017, for issuing the Audit report on the Financial position of the Company M/s D.V. Aditya & Co., Chartered Accountants, (Firm Reg. No. 000044S), Chartered Accountants, Statutory Auditors of the Company issued Auditors Report for the financial year ended 31st March, 2019 which is with unmodified opinion (unqualified).

There is no adverse remark(s)/ qualification(s)/ reservation(s) of the Statutory Auditors in their report for the financial year ended 31st March, 2019. Hence, no explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013 is required.

32. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Shri Ajay Suman Shrivastava, Practicing Company Secretary (C.P. No. 3479), Hyderabad, to conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report issued by the Secretarial Auditor for the financial year 2018-19 in Form MR-3 as “**Annexure-II**” forms a part of this Report.

33. INTERNAL AUDITORS:

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

34. EXTRACTS OF ANNUAL RETURN:

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available in Company's website at www.narbadajewellery.com

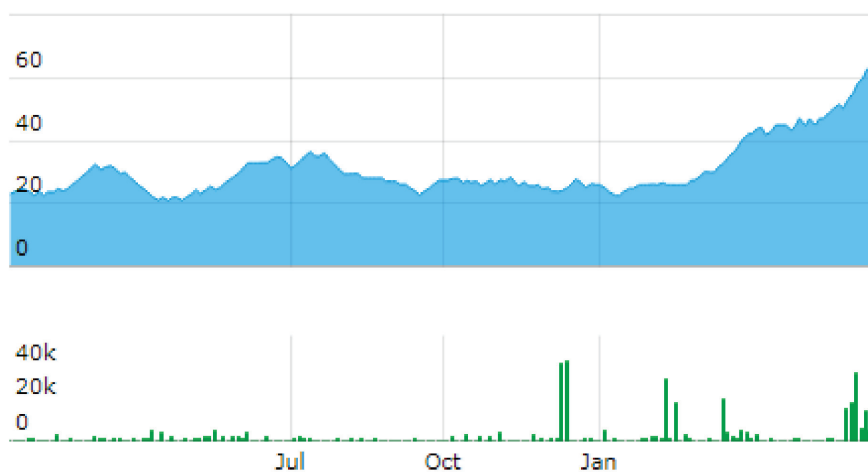
35. LISTING:

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

i. Market Price Data

The market price data of the shares of the Company traded during each month for the financial year ended 31st March, 2019 at Bombay Stock Exchange (BSE Limited) is as under:

Month	High (Price in Rs.)	Low (Price in Rs.)	Volume
April, 2018	33.90	21.50	13,273
May, 2018	33.60	20.90	20,827
June, 2018	35.00	23.10	27,460
July, 2018	36.85	30.45	6,596
August, 2018	29.50	27.00	5,224
September, 2018	27.40	22.65	1,800
October, 2018	28.00	26.05	1,997
November, 2018	28.90	24.40	17,928
December, 2018	27.75	22.60	96,430
January, 2019	27.50	22.55	77,589
February, 2019	47.25	28.75	50,640
March, 2019	65.75	41.50	1,15,406

ii. Market performance of the Company during the Financial Year 2018-19

iii. Distribution of Shareholding as at 31st March, 2019

Category (No. of shares)	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	5000	91.49	851769	8.57
501- 1000	292	5.34	192226	1.93
1001- 2000	87	1.59	114823	1.15
2001- 3000	21	0.38	50958	0.51
3001- 4000	3	0.05	10267	0.10
4001-5000	5	0.09	22709	0.23
5001- 10000	13	0.24	101667	1.02
10001 and above	44	0.81	8597991	86.48
Total	5465	100	9942410	100

36. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

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

37. ACKNOWLEDGEMENT:

The Directors place on record their sincere thanks and appreciation for the support and cooperation received from the financial institutions, banks, dealers, suppliers, customers, shareholders, various government authorities and other business associates of the Company.

Your Directors also place on record their appreciation for the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business and look forward to the continued support.

Date: 13.08.2019

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

For and on behalf of Board of Directors

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

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

ANNEXURE INDEX

ANNEXURE	CONTENTS
I	Particulars of contracts with Related parties (Form AOC-2)
II	Secretarial Audit Report

FORM NO. AOC -2

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

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

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	--
b)	Nature of contracts/arrangements/ transaction	--
c)	Duration of the contracts/ arrangements/transaction	--
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	--
e)	Justification for entering into such contracts or arrangements or transactions	--
f)	Date of approval by the Board	--
g)	Amount paid as advances, if any	--
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	--

2. Details of material contracts or arrangement or transactions at arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<p>i. Sanghi Jewellers Private Limited- Company having common directorship</p> <p>ii. Uday Jewellery Industries Limited- Company having common directorship</p>

b)	Nature of contracts/arrangements/transaction	<ul style="list-style-type: none"> i. Purchases and sales of manufactured products, job work services and payment of Rent ii. Purchase and sales of manufactured products.
c)	Duration of the contracts/arrangements/transaction	<ul style="list-style-type: none"> i. Regular ii. Yearly
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>During the year 2018-19 the total value of transactions with the related parties are as follows:</p> <p>I. Sanghi Jewellers Private Limited-</p> <ul style="list-style-type: none"> i. Purchases: Rs. 3,47,19,142/- ii. Sales: Rs. 2,44,98,558/- iii. Payment of Rent: Rs. 1,31,200/- <p>II. Uday Jewellery Industries Limited-</p> <ul style="list-style-type: none"> i. Sales: Rs. 1,37,52,280/- ii. Purchase: Rs. 4,19,49,725/-
e)	Date of approval by the Board	Approval of Board is duly taken as necessitated.
f)	Amount paid as advances, if any	Nil

Date: 13.08.2019

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

For and on behalf of Board of Directors

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

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

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

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

Based on my verification of the 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, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2019, has complied with the statutory provisions listed hereunder, except specifically stated and also that the Company has proper Board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **Not applicable to the Company during the Audit period.**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - To the extent applicable for Preferential issue of warrants and consequent Second conversion into shares.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable to the Company during the Audit Period**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable to the Company during the Audit period**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable to the Company during the Audit Period**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable to the Company during the Audit Period.**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015
- (j) Labour laws as under:
 - Industrial Dispute Act, 1947;
 - The Payment of Wages Act, 1936;
 - The Minimum Wages Act, 1948;
 - Factories Act, 1948
 - Employees State Insurance Act, 1948
 - Employee's Provident Funds and Miscellaneous Provisions Act, 1952
 - Payment of Bonus Act, 1965 (inclusive in remuneration)
 - Maternity Benefit Act, 1961

The Company has made the compliances for the above. However, the processes for the same need to be strengthened.

- (k) Environment (Protection) Act, 1986, however, other environmental laws are not applicable as the Company is a non- polluting business Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

During the Audit period under review and as per the clarification, representations provided by the Management in writing and oral in the Secretarial Audit checklist prepared by me, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement, SEBI notifications etc. mentioned above subject to the below mentioned:

- i. *The Company issued and allotted 19,30,400 Equity shares upon conversion of warrants on 26.09.2018 and made the Application for listing.*
- ii. *The listing and trading approval was granted by BSE Limited for 19,30,400 shares on 03.12.2018 and 28.12.2018 respectively.*

There are no fresh transactions attracting the provisions of FEMA during the reporting period.

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Further, this report is to be read with the letter of even date as attached in Annexure A and forms part of this report

Place: Hyderabad

Date: 12.08.2019

Sd/-
Ajay S. Shrivastava
FCS No.: 3489
C.P. No.: 3479

‘ANNEXURE- 1’

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

This letter is to be read with the report even date and forms an integral part of this report.

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

Place: Hyderabad

Date: 12.08.2019

Sd/-
Ajay S. Shrivastava
FCS No.: 3489
C.P. No.: 3479

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of Director	Designation	DIN	Date of Appointment
1.	Sanjay Kumar Sanghi	Managing Director	00629693	28.08.2017
2.	Ritesh Kumar Sanghi	Director	00628033	29.06.2007
3.	Bhavna Sanghi	Director	02681438	14.05.2014
4.	Ramprasad Vempati	Director	01903161	23.09.2014
5.	Siddharth Goel	Director	03022978	23.09.2014
6.	Vinod Agarwal	Director	00914894	23.09.2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification of records available. This certificate is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company nor it in any way certifies the ethical conduct of the said Directors for effective compliance of laws in India.

Place: Hyderabad
Date: 12.08.2019

Sd/-
AJAY. S. SHRIVASTAVA
Practicing Company Secretary
FCS No. 3489
CP No. 3479

COMPLIANCE CERTIFICATE

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

To
The Board of Directors,
Narbada Gems and Jewellery Limited,
Hyderabad

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

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors namely M/s D.V. Aditya & Co., Chartered Accountants, Hyderabad, and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that have been taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Date: 29.05.2019
Place: Plot No 5-9-60,
Flat No 301, Moghuls Court,
Basheerbagh, Hyderabad – 500001

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Sd/-
Bajranglal Agarwal
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS:

India's gems and Jewellery sector is one of the largest sector in the world contributing 29 per cent to the global Jewellery consumption. The market size of the sector is about US\$ 75 billion as of 2018 and is estimated to reach US\$ 100 billion by 2025. The sector is home to more than 300,000 gems and Jewellery players, contributes about 7 per cent to India's Gross Domestic Product (GDP) and employs over 4.64 million workmen.

India's Gems and Jewellery sector contributes about 15 per cent to India's total merchandise exports to the World. The overall net exports of Gems and Jewellery stood at US\$ 32.71 billion during FY18 registering a compounded annual growth rate (CAGR) of 5.83 per cent over FY05.

India is the world's largest center for cut and polished diamonds in the world and exports 75 per cent of the world's polished diamonds. Today, 14 out of 15 diamonds sold in the world are either polished or cut in India. India exported US\$ 21.95 billion worth of cut and polished diamonds in April 2018-February 2019.

OUTLOOK:

India is the largest consumer of gold in the world. Rising middle class population and increasing income levels are the key drivers for the demand of gold and other Jewellery in India. Gold demand in India rose 11 per cent year-on-year to 523.93 tonnes during January-September 2018. Also, the Government of India has permitted 100 per cent Foreign Direct Investment (FDI) in the sector under the automatic route. As of January 2018, the Reserve Bank of India (RBI) has increased the scope of the gold-monetization scheme by allowing charitable institutions and government entities to deposit gold, which is expected to boost deposits over the coming months.

The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018, to include a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark on gold jewellery. The move is aimed at ensuring a quality check on gold Jewellery. The outlook for industry growth is bright and likely to grow in the future.

INVESTMENTS/ DEVELOPMENTS/ GOVERNMENT INITIATIVES:

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 – December 2018 were US\$ 1.15 billion, according to Department for Promotion of Industry and Internal Trade (DPIIT).

The Bureau of Indian Standards (BIS) has revised the standard on gold hallmarking in India from January 2018. The gold jewellery hallmark will now carry a BIS mark, purity in carat and fitness as well as the unit's identification and the jeweller's identification mark. The move is aimed at ensuring a quality check on gold jewellery.

In the Union Budget 2018-19, the Government of India, offered tax cuts for the middle class and other sections of society (up to Rs. 5 lakhs - Nil tax rate); which was 5 per cent initially). All these measures will drive consumption, which will be favourable to the gems and jewellery industry. The demonetisation move is encouraging people to use plastic money, debit/credit cards for buying jewellery. This is good for the industry in the long run and will create more transparency.

Gold Monetization Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

MARKET SIZE- A ROAD AHEAD:

Gold demand in India rose to 523.93 tonnes between January to September 2018. Exports stood at US\$28.52 billion between Apr 2018 –Feb 2019. During the same period, exports of cut and polished diamonds stood at US\$ 21.95 billion, thereby contributing about 76.96 per cent of the total gems and jewellery exports in value terms.

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organized market and are opening opportunities to grow. Increasing penetration of organized players provides variety in terms of products and designs. Online sales are expected to account for 1-2 per cent of the fine jewellery segment by 2021-22. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilization of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

RISKS AND CONCERNS:

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliances, economy, financials, Government policies, market related, operational, products and technology etc.

The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management. From the perspective of the Company the risks are of the following nature:

- (a) **Strategic risk:** Those risks associated with operating in a particular industry and includes risks arising from demand changes, changes in customers' preference, taste and industry changes. These risks pose threats or opportunities which materially affect the ability of the organization to survive.
- (b) **Compliance risk:** Those risks associated with the need to comply with Government Laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect.
- (c) **Operational risk:** Those associated with the Company's operational and administrative procedures which inter alia include accounting controls, regulations, recruitment, IT systems, board composition, contractual risks and exposures, organizational risks and exposures.
- (d) **Financial risk:** Those associated with financial structure of the Company, its transactions and the financial system in place.
- (e) **Environmental risk:** Those associated with release of polluting materials, environmental performance/ compliance limits, business opportunities and breach of regulations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well.

Some significant features of the internal control systems are:

- Documenting Major Business Process including financial reporting, Computer Controlling, Security Checks and Top Committee level Plans.
- A comprehensive information security policy and continuous upgrades to IT system.
- Audit Committee of the Board of Directors, comprising independent directors, which is functional since 2014, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, as well as, reasons for changes in accounting policies and practices, if any.
- A well established multi-disciplinary Internal Audit team, which reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks.
- Monthly meeting of the top management committee to review operations and plans in key business areas.
- Corporate policies on accounting and major processes.

ANTI-FRAUD PROGRAMME:

The Board takes responsibility for the total process of risk management in the organization. The Audit Committee reviews reports covering operational, financial and other business risk areas. Taking into Consideration the high risk associated with this business, the organization and management have taken necessary measures towards achieving an environment free of fraud. This is also facilitated by internal audit. The business risks are managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

The Company's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels.

With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing

appropriate leadership at all levels motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities.

In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year.

SWOT ANALYSIS:

Strengths:

1. Adequate manufacturing facilities across the jewellery hub for strengthening of design.
2. Cost competitive logistics.
3. Capable to venture into new markets and exploit various opportunities with the help of strong management team.
4. Having huge customer base to explore new markets across the state.
5. Customized service gives a unique identity to the Company distinct from other players.
6. Use of synergy optimization at various functional verticals gives a huge advantage.
7. Advanced Technology strength to support business operations and expansion.

Weaknesses:

1. Operating in a stiff competitive environment with uncertain profit margins.
2. Unpredicted Gold price movements and its impact on margin of the product.
3. Low margin products
4. Limited area of operation is the bottleneck to exploit untapped markets.
5. Frequent changes in customer taste and preference for jewellery designs.
6. Mixture of organized and un-organized sector in Jewellery Industry affects profit margins drastically.

Opportunities:

1. Growing preference for online platform
2. Rural development
3. Customer's preference in choosing hallmarked products over products made by un-organized manufacturers.
4. Concentrating in one sector makes the Company mature in the industry and gain efficiency in operations.
5. Scaling of economy resultant out of Brand/ Advertisement & Publicity / Procurement of Gold, Product Mix, designs, etc.

Threats:

1. Presence of Small and un-organized industry players affects a sustained growth in the industry.
2. Depending on bank finance and customer advances
3. Existing competitors, Penetration of large corporate jewellery traders cutting down margins.

4. Macro-economic factors such as Rupee fluctuations, enactment of new laws such as GST, KYC norms and global demand
5. Acute shortage of skilled labour increases the production cost significantly.
6. Highly fluctuating gold price movement acts as a damper.
7. Increasing duties and cess following GST implementation.

PERFORMANCE OF THE COMPANY:

Your Company, at present, is dealing in colored precious stone studded jewellery and is on growing path. The Company achieved total revenues of Rs. 4069.76 lakhs for the year ended 31st March, 2019 as compared to Rs. 2626.51 lakhs in the previous year with the increase of 54.95%. The profit after tax during the year ended 31st March, 2019 is Rs. 143.99 lakhs whereas the profit after tax for the previous year ended 31st March, 2018 stood at Rs. 113.25 lakhs.

FINANCIAL SYNOPSIS OF THE COMPANY:

Share Capital:

The Share Capital of your Company is Rs. 9,94,24,100/- divided into 99,42,410 Equity shares of Rs. 10/- each with Voting Rights, as on 31st March, 2019.

During the year under review, the Company has allotted 19,30,400 new Equity shares of Rs. 10/- each at a Premium of Rs. 2.50/- each, upon conversion of warrants issued under Preferential Issue. Thereby, the paid up share capital of the Company has increased from Rs. 8,01,20,100/- at 31st March, 2018 to Rs. 9,94,24,100/- as on 31st March, 2019.

A further conversion of warrants resulting in allotment of 21,14,900 Equity shares of Rs. 10/- each at a Premium of Rs. 2.50/- each, is made on 15th May, 2019.

Secured Loans:

The Company has outstanding Secured Loan of Rs. 873.62 Lakhs as on financial year ended on 31st March, 2019.

Fixed Assets:

Fixed Assets (Net Block) is Rs. 104.16 Lakhs during the financial year 2018-19.

CAUTIONARY STATEMENT:

Forward looking statements embedded in the Management Discussion and Analysis above is based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

INDEPENDENT AUDITORS' REPORT

To
Members,
Narbada Gems and Jewellery Limited,
Hyderabad.

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Narbada Gems and Jewellery Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in Equity and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the afore said 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Key Audit Matters	Auditor's response
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date</p>	<p>Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>

Other Information:

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial statements.

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder;
- e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations for the company that will impact the financial position of the company;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

According to the information and explanations given to us and based on our examination of the records the Company, the Company has not paid any managerial remuneration to any director.

For D.V. ADITYA & CO
Chartered Accountants
FRN: 000044S

Sd/-
(D.V. ADITYA)
Proprietor
Membership No.022646

Place: Hyderabad
Date:30.05.2019

Annexure A to the Independent Auditors' Report

The Annexure A referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii) a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii) During the year, the Company has not granted any loans secured or unsecured to parties covered in the register maintained under section 189 of the Act. Hence paragraph 3(iii) of the Order is not applicable.
- iv) In our opinion and according to the information and explanations provided to us, during the year, the company has not given any loans, made investments, given guarantees or given security to parties covered under the provisions of section 185 and 186 of the Companies Act 2013. Hence paragraph 3(iv) of the order is not applicable.
- v) The Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under
- vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain Cost records under Central Government under sub-section (1) of the section 148 of the Act.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, Goods and service tax, duty of customs, duty of excise, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, Goods and services tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable

- b) According to information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess or Goods and Services Tax outstanding on account of any disputes.
- viii) According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in repayment of loans along with interest to the Banks/financial institutions during the year.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- x) According to the information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, no remuneration has been paid during the year and hence the provisions of section 197 do not apply.
- xii) The Company is not a Nidhi Company. Hence, paragraph 3 (xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has issued 19,30,400 Equity Shares of Rs. 10 each on private placement basis. The company has complies with section 42 of the Companies Act, 2013. These share were issued on conversion of share warrants.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For D.V. ADITYA & CO
Chartered Accountants
FRN: 000044S

Sd/-
(D.V. ADITYA)

Proprietor
Membership No.022646

Place: Hyderabad
Date:30.05.2019

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Narbada Gems and Jewellery Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

The Company needs to document procedures and controls vis-à-vis internal controls over Financial Reporting.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For D.V. ADITYA & CO
Chartered Accountants
FRN: 000044S

Sd/-
(D.V. ADITYA)
Proprietor
Membership No.022646

Place: Hyderabad
Date:30.05.2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in lakhs)

Particulars	Note No.	31st March, 2019	31st March, 2018
A Assets			
1 Non-Current assets			
(a) Property, Plant & Equipment	1	104.16	9.67
(b) Financial assets			
(i) Others (Non current financial assets)	2	7.57	5.47
(c) Deferred tax Asset (net)	3	-	0.14
(d) Other non-current assets	4	5.04	6.30
Total Non - Current Assets		116.77	21.58
2 Current assets			
(a) Inventories	5	1,477.61	605.68
(b) Financial assets			
(i) Trade receivables	6	872.18	939.91
(ii) Cash & Cash Equivalents	7	8.41	5.21
(iii) Others(Curent financial assets)		-	-
(c) Current tax assets (net)		-	-
(d) Other Current assets	8	72.95	13.91
Total Current Assets		2,431.15	1,564.71
Total Assets		2,547.92	1,586.29
B Equity & Liabilities			
1 Equity			
(a) Equity share capital	9	996.92	803.88
(b) Other Equity	10	565.76	433.83
Total Equity		1,562.68	1,237.71
2 Liabilities			
Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	46.05	-
(b) Deferred tax liabilities (net)	12	1.05	-
Total Non-Current Liabilities		47.10	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	827.57	148.88
(ii) Trade payables	14		
(a) Total outstanding dues of micro and small enterpriese		-	0.24
(b) Total outstanding dues of creditors other than micro and small enterpriese		84.57	172.85
(b) Other current liabilities	15	19.74	16.51
(c) Current tax liabilities (net)	16	6.26	10.09
Total Current Liabilities		938.14	348.57
Total Equity and Liabilities		2,547.92	1,586.29

Our Report attached,
For D.V.ADITYA & CO.,
Chartered Accountants,
FRN:000044S

Sd/-
(D.V.ADITYA)
Proprietor
Membership No.022646

Hyderabad
Date: 30.05.2019

For Narbada Gems and Jewellery Ltd.,

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Sd/-
Bajranglal Agarwal
Chief Financial Officer

Sd/-
Bhavna Sanghi
Director
DIN: 02681438

Sd/-
Ashish Kumar Gupta
Company Secretary
M.No :A46274

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019 (Rs. in lakhs)

Particulars	Note No.	31st March, 2019	31st March, 2018
Revenue from operations	17	4,057.20	2,626.49
Other income	18	12.56	0.02
Total Revenue (I)		4,069.76	2,626.51
Expenses:			
Cost of materials consumed	19	4,525.03	2,837.95
Changes in inventories	20	(871.93)	(546.00)
Employee benefits expense	21	118.40	32.38
Finance costs	22	22.96	9.25
Depreciation	1	7.42	1.66
Other expenses	23	67.70	133.01
Total Expenses (II)		3,869.57	2,468.25
Profit before tax and exceptional items (I-II)		200.19	158.26
Exceptional Items		-	-
Profit before tax		200.19	158.26
Tax expense:			
Current tax		55.00	45.09
Deferred tax		1.19	(0.08)
Profit after tax		143.99	113.25
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss (net of tax)		-	-
B (i) Items that will be reclassified to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income after tax		143.99	113.25
Earnings per equity share:	24		
Basic		1.60	2.28
Diluted		1.31	2.28
Accounting Policies	25		

Our Report attached,
For D.V.ADITYA & CO.,
Chartered Accountants,
FRN:000044S

Sd/-
(D.V.ADITYA)
Proprietor
Membership No.022646

Hyderabad
Date: 30.05.2019

For Narbada Gems and Jewellery Ltd.,

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Sd/-
Bajranglal Agarwal
Chief Financial Officer

Sd/-
Bhavna Sanghi
Director
DIN: 02681438

Sd/-
Ashish Kumar Gupta
Company Secretary
M.No :A46274

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 (Rs. in lakhs)

Particulars	31st March, 2019	31st March, 2018
A. Cash flows from Operating Activities		
Net Profit before tax	200.19	158.26
Adjustments for:		
Depreciation	7.42	1.66
Finance Cost	22.96	9.25
Operating profit before working capital changes	230.56	169.17
Working capital changes:		
(Increase) / Decrease in Inventories	-871.93	-545.99
(Increase) / Decrease in Trade Receivables	67.74	-605.65
(Increase) / Decrease in Other Financial assets	-2.10	-2.86
(Increase) / Decrease in Non current Assets	1.26	-6.30
(Increase) / Decrease in Other current assets	-59.05	-13.51
Increase / (Decrease) in Current Liabilities & Provisions	-88.52	145.90
Increase / (Decrease) in Other current liabilities	3.22	8.62
Cash Generated from Operations	-718.81	-850.62
Direct Taxes	-58.83	-37.48
Net Cash Flow from Operating Activities	-777.64	-888.09
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-101.92	-4.88
Net Cash used in investing Activities	-101.92	-4.88
C. Cash flows from Financing Activities		
Finance Cost	-22.96	-9.25
Increase / (Decrease) in Borrowings	724.75	148.88
Issue of share warrants	180.98	757.20
Net Cash used in Financing Activities	882.76	896.83
Net increase/(decrease) in Cash and Cash Equivalents	3.20	3.86
Cash and Cash equivalents at the beginning of the year	5.21	1.35
Cash and Cash equivalents at the end of the year	8.41	5.21

Notes:

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

**Our Report attached,
For D.V.ADITYA & CO.,
Chartered Accountants,
FRN:000044S**

**Sd/-
(D.V.ADITYA)
Proprietor
Membership No.022646**

**Hyderabad
Date: 30.05.2019**

For Narbada Gems and Jewellery Ltd.,

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

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

**Sd/-
Bhavna Sanghi
Director
DIN: 02681438**

**Sd/-
Ashish Kumar Gupta
Company Secretary
M.No :A46274**

NOTE 1: Property, Plant & Equipment

Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2018	Additions during the Year	Sales/ Adjustments during the Year	As at 31.03.2019	For the Year	Sales/ Adjustments during the Year	As at 31.03.2019	As at 31.03.2019
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer	0.40	0.68	-	1.08	0.13	-	0.45	0.64
Office equipment	0.48	7.35	-	7.83	1.36	-	1.61	6.22
Furniture & Fixtures	3.15	5.07	-	8.22	0.77	-	0.87	7.34
Plant & Machinery	2.07	5.75	-	7.82	0.49	-	0.52	7.30
Vehicles	6.89	83.06	-	89.95	4.67	-	7.29	82.66
TOTAL	12.99	101.92	0.00	114.91	7.42	0.00	10.74	104.16
(Previous year)	8.11	4.88	0.00	12.99	1.66	0.00	3.32	9.67

Note:2 Investments (Financial assets)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Unsecured Considered good		
Deposits(others)	7.57	5.47
Total	7.57	5.47

Note:3 Deferred tax Asset (Net)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Deferred tax liabilities		
Opening Balance	0.14	0.07
Less: During the year	(0.14)	0.08
Less: IND AS Adjustments	-	-
Total	-	0.14

Note:4 Other non-current assets

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Other Assets	5.04	6.30
Total	5.04	6.30

Note:5 Inventories

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Raw materials	-	-
Work-in-progress	703.68	444.60
Finished goods	773.93	161.09
Total	1,477.61	605.68

Note:6 Trade Receivables (Financial assets)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
a) Considered Good - Secured	-	-
b) Considered good - Unsecured	872.18	939.91
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired	-	-
Total	872.18	939.91

Note:7 Cash & Bank Balances (Financial assets)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Cash & Cash equivalents:		
Cash on hand	4.12	1.86
Balances with banks in current accounts	4.30	3.35
Total	8.41	5.21

Note:8 Other Current assets

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
VAT Receivable	-	-
GST Receivable	35.68	13.91
Other Advances	37.28	-
Total	72.95	13.91

Note:11 Borrowings (Financial liabilities)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Secured Loans:		
Vehicle Loan	46.05	-
Total	46.05	-

Note:12 Deferred tax liabilities (Net)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Deferred tax liabilities		
Opening Balance	-	-
Less: During the year	1.05	-
Less: IND AS Adjustments	-	-
Total	1.05	-

Note:13 Borrowings (Financial liabilities)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Secured Loans:		
Working capital loan(CC)	805.10	148.88
Vehicle Loan	22.47	-
Total	827.57	148.88

Note:14 Trade payables (Financial liabilities)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Trade Payables		
(a) Total outstanding dues of micro and small enterprises	-	0.24
(b) Total outstanding dues of creditors other than micro and small enterprises	84.57	172.85
Total	84.57	173.09

Note:15 Other Current liabilities

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Others	19.74	16.51
Total	19.74	16.51

Note 9:
Equity Share Capital: (Rs. in lakhs)

Particulars	31.03.2019
Authorized share capital	
Opening: 1,35,00,000 Equity shares of Rs.10 each	1,350.00
Add: Changes during the year:	
Zero Equity shares of Rs.10 each	-
Closing: 1,35,00,000 Equity shares of Rs.10 each	1,350.00
Issued,Subscribed and Paid up capital	
(a) 80,12,010 Equity shares of Rs.10 Each, Fully paid up	801.20
Less: Reduction of Capital against accumulated losses	-
	801.20
(b) Shares Forfeited Account	2.68
Changes during the year: 19,30,400 Equity shares of Rs.10 each	193.04
Total	996.92

Note: 10 Other Equity: (Rs. in lakhs)

Particulars	Reserves and Surplus		Other Comprehensive income	Money received on issue of share warrants	Total
	Securities Premium Reserve	Retained Earnings			
Balance as at 31st March, 2018	126.16	181.26	-	126.42	433.83
Adjustments:-					
Amount received for warrant conversion	-	-	-	180.98	180.98
Conversion of share warrants into Equity shares	48.26	-	-	(241.30)	(193.04)
Total comprehensive income	-	143.99	-	-	143.99
Closing Balance as at 31st March, 2019	174.42	325.25	-	66.09	565.76

Note:16 Current tax liabilities (net)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Provision for income tax	6.26	10.09
Total	6.26	10.09

Note 17 : Revenue from operations

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Sale of products		
- Domestic Sales	3,512.25	2,632.84
- Export Sales	544.95	-
Less: Excise Duty	-	(6.35)
Revenue from operations (net)	4,057.20	2,626.49

Note 18 :Other income

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Other Income	12.56	0.02
	12.56	0.02

Note 19 : Cost of raw material consumed

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Purchases	4,525.03	2,837.95
	4,525.03	2,837.95

Note 20 : Changes in inventories

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Work-in-progress		
Inventory at the beginning of the year	444.60	59.69
Inventory at the closing of the year	(703.68)	(444.60)
	(259.08)	(384.91)
Finished Goods		
Inventory at the beginning of the year	161.09	-
Inventory at the closing of the year	(773.93)	(161.09)
	(612.85)	(161.09)
Changes in Inventories	(871.93)	(546.00)

Note 21 : Employee benefits expense

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Salaries, Wages and Bonus	117.29	32.26
Contribution to Provident Fund	0.52	0.07
Contribution to ESI	0.31	0.04
Incentive	0.27	-
	118.40	32.38

Note 22 : Finance costs

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Bank charges and commission	8.22	2.75
Bank interest	14.74	6.50
	22.96	9.25

Note 23 : Other expenses

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
As Auditor		
- Statutory Audit	0.50	0.50
- Tax Audit	0.15	0.15
	0.65	0.65
Bank charges and commission	7.15	-
Business Promotion Expenses	0.59	-
Travelling & Conveyance	0.30	-
Commission	0.44	-
Power and Fuel	4.87	0.35
Repairs and Maintenance		
- Repairs & Maintenance Vehicle	0.49	-
- Repairs & Maintenance Others	2.69	0.55
Rates and Taxes	3.90	1.60
Stores & Consumables	0.60	-
Postage, Telegrams & Telephones	7.34	1.62
Printing & Stationery	1.83	1.60
Insurance	1.16	0.66
Advertisement and publicity	1.89	1.81
Jobwork charges	2.22	102.50
Legal and professional fee	12.53	13.88
Rent	12.55	5.42
Membership fee	0.16	0.10
Security services	3.60	0.68
Other Expenses	2.73	1.59
	67.70	133.01

Note 24 : Earnings per share (EPS)

(Rs. In Lakhs)

Particulars	31.03.2019	31.03.2018
Profit after tax	143.99	113.25
Weighted average number of equity shares in calculating basic EPS (Nos In Lakhs)	89.96	49.70
Weighted average number of equity shares in calculating diluted EPS (Nos In Lakhs)	109.60	49.70
Basic Earnings per Equity Share	1.60	2.28
Diluted Earnings per Equity Share	1.31	2.28

Notes to the Financial Statements**25. General Information**

The Company was originally incorporated under the Companies Act, 1956 on 05th May, 1992 under the name "Singh Foods Limited". The name of the Company was changed to 'Narbada Gems and Jewellery Limited' owing to the current business activity of the Company and a fresh certificate of incorporation was received on 11th March, 2008. Currently, the shares of the Company are listed at BSE Limited. The Company is dealing in manufacturing and trading of Gold, Color Stones and Diamond jewellery with emphasis on rose cut and flat diamond jewellery.

The Manufacturing unit of the Company is located at 3-6-291/4/B, 2nd Floor, Hyderguda, Hyderabad-500029. The unit was set up in the month of May, 2018 with intent to expand its existing business profile.

Further, the Company has also entered into the global market and started export of its specialized jewellery from June, 2018. In the coming years, the Company will continue to focus on the Middle-East region with the expansion of business in its core areas.

26. Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in Indian rupees except number of equity shares and per share data, unless otherwise stated.

The accounting policies have been applied consistently to all periods presented in these financial statements.

27. Use of estimates and judgement

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

28. Additional information pursuant to Schedule III of the Companies Act, 2013**Value of Raw Materials, Stores and Spares Consumed and Percentage**

(Rs. In Lakhs)

Particulars	31st March, 2019		31st March, 2018	
	Percentage	Value	Percentage	Value
a. Raw Materials				
i. Indigenous	100%	4525.03	100%	2837.95
ii. Imported	0%	NIL	0%	NIL
	100.00	4525.03	100.00	2837.95

29 Financial Instruments- Fair Values and Risk Management**29.1 Financial Instruments by Categories**

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

(Amount in lakhs as of March 31, 2019)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash & Cash Equivalents (Ref Note No. 7)	8.41	-	-	8.41	8.41
Trade Receivable (Ref Note No.6)	872.18	-	-	872.18	872.18
Other Financial Assets (Ref Note No.2)	7.57	-	-	7.57	7.57
Liabilities:					
Trade Payable (Ref Note No.14)	84.57	-	-	84.57	84.57
Borrowings (Ref Note No 11 & 12)	873.62	-	-	873.62	873.62

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2018:

(Amount in lakhs as of March 31, 2018)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash & Cash Equivalents (Ref Note No. 7)	5.21	-	-	5.21	5.21
Trade Receivable (Ref Note No.6)	939.91	-	-	939.91	939.91
Other Financial Assets (Ref Note No.2)	5.47	-	-	5.47	5.47
Liabilities:					
Trade Payable (Ref Note No.14)	173.09	-	-	173.09	173.09
Borrowings (Ref Note No 12)	148.88	-	-	148.88	148.88

29.2 Fair Value Hierarchy

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

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

(Amount in lakhs as at March 31, 2019)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique & key inputs	Significant unobservable inputs
Financial assets						
Security deposits	-	-	7.57	7.57	-	-
Total financial assets	-	-	7.57	7.57	-	-
Financial Liabilities						
Borrowings	-	-	873.62	873.62	-	-
Total financial liabilities	-	-	873.62	873.62	-	-

(Amount in lakhs as at March 31, 2018)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique & key inputs	Significant unobservable inputs
Financial assets						
Security deposits	-	-	5.47	5.47	-	-
Total financial assets	-	-	5.47	5.47	-	-
Financial Liabilities						
Borrowings	-	-	148.88	148.88	-	-
Total financial liabilities	-	-	148.88	148.88	-	-

29.3 Financial risk management

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

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

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

a) **Market risk**

(i) **Foreign Exchange Risk**

The company has no import transactions and hence there is no foreign exchange risk.

(ii) **Price Risk**

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

b) **Credit Risk**

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

Trade Receivables:

The company has outstanding trade receivables amounting to INR 872.18 and INR 939.91(in lakhs), as of March 31, 2019 and March 31, 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

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

Credit risk exposure:

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

(As at 31st March, 2019, Amount in Rs lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	-	-	-
Past due less than 30 days	155.50	-	155.49
Past due more than 30 days but not more than 60 days	294.51	-	294.51
Past due more than 60 days but not more than 90 days	348.60	-	348.60
Past due more than 90 days but not more than 120 days	52.09	-	52.09
Past due more than 120 days	21.48	-	21.48
Total	872.18	-	872.18

(As at 31st March, 2018, Amount in Rs lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Not past due	-	-	-
Past due less than 30 days	391.32	-	391.32
Past due more than 30 days but not more than 60 days	390.38	-	390.38
Past due more than 60 days but not more than 90 days	158.21	-	158.21
Past due more than 90 days but not more than 120 days	-	-	-
Past due more than 120 days	-	-	-
Total	939.91	-	939.91

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

Financial assets:

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks.

c) Liquidity Risk

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

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

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

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

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

(Amount in Rs. in lakhs as of March 31, 2019)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	67.11	-	17.46	-	-	84.57
Short term borrowings (cash credit)*	805.10	-	-	-	-	805.10
Long term borrowing	-	-	46.05	-	-	46.05
Current Maturities of long term debts	-	22.47	-	-	-	22.47
Total	872.21	22.47	63.51	-	-	958.19

*Includes interest accrued on borrowings

(Amount in Rs. in lakhs as of March 31, 2018)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	155.63	17.46	-	-	-	173.09
Short term borrowings (cash credit)*	148.88	-	-	-	-	148.88
Total	304.51	17.46	-	-	-	321.97

*Includes interest accrued on borrowings

**30. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”
Related Party Disclosures**

A. Key Managerial Personnel (KMP):

Sri Sanjay Kumar Sanghi - Managing Director
Sri Bajranglal Agarwal - Chief Financial Officer
Sri Ashish Kumar Gupta - Company Secretary

B. Non Executive Directors

Sri Ritesh Kumar Sanghi
Smt. Bhavana Sanghi
Sri Siddharth Goel- Independent
Sri Ramprasad Vempati- Independent
Sri Vinod Agarwal- Independent

C. Enterprises in which Key Management Personnel has significant influence

Sanghi Jewellers Private Limited
Uday Jewellery Industries Limited

D. Relatives of Key Management Personnel

Sri Ritesh Kumar Sanghi – Director
Smt. Bhavana Sanghi – Director

E. Related Party Transactions

Enterprises in which significant influence by Key Management Personnel:

(Amount in Rs.)

Particulars	31st March, 2019	31st March, 2018
Sanghi Jewellers Pvt Ltd:		
Purchase (Net of returns)	3,47,19,142/-	6,43,31,006/-
Sales (Net of returns)	2,44,98,558/-	-
Rent	1,31,200/-	4,37,200/-
Job work Charges	-	1,02,49,932/-
Amount Receivable/(Payable) as on	7,00,997/-	(1,32,808/-)
Uday Jewellery Industries Limited:		
Purchase (Net of returns)	4,19,49,725/-	-
Sales (Net of returns)	1,37,52,280/-	-
Amount Receivable/(Payable) as on	-	-

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

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

(Amount in Rs lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Earnings used in calculation of basic earnings per share(A)	143.99	113.25
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	89.96	49.70
Basic EPS(A/B)	1.60	2.28

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

(Amount in Rs lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Earnings used in calculation of basic earnings per share(A)	143.99	113.25
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	109.60	49.70
Diluted EPS(A/B)	1.31	2.28

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

Transitional Provision

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

A. (i) Contracts with customers:

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products	40,57,19,838.00	26,26,49,413.00
Sale of services	-	-
Other operating revenue	-	-
-Claims	-	-
-Subsidy	-	-
-Despatch Earned	-	-
-Other Trade Income	-	-
Total	40,57,19,838.00	26,26,49,413.00

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment Loss	-	-

(ii) Disaggregation of Revenue

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	As % to Total Revenue	For the year ended March 31, 2018	As % to Total Revenue
Diamonds	10,43,002.49	0.26%	-	-
Pure Gold	32,15,000.00	0.79%	-	-
Studded Gold Jewellery	40,14,61,835.80	98.95%	26,26,49,413.00	100%
Total	40,57,19,838.29	100%	26,26,49,413.00	100%

(iii) Contract Balances

Receivables

(Amount in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	9,39,91,221.00	8,65,05,848.00
Addition/deduction during the year	(67,73,653.00)	74,85,373.00
Closing Balance	8,72,17,568.00	9,39,91,221.00

Contract Assets

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Being a trading company performance obligation of the company is satisfied upon transferring a promised goods or service to its customers and there is no obligation on the part of the company which remains unexecuted.

Contract Liabilities

During the Year the advances received are recognised as revenue and as on 31st March there are no advances.

Practical expedients

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

B. Significant judgements in the application of this standard

- (i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
- (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be

entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).

- (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.
- (iv) Certain adjustments have been made during the year in contract value which is not significant keeping in view the amount involved.

C. Assets Recognised from costs to obtain or fulfil a contract with a customer

Being a trading company, costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

33. Accounting Policies under Ind AS:

1. Significant Accounting Policies

1.1 Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs, Government of India vide Notification dated February 16, 2015. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

1.2 Application of Indian Accounting Standards (Ind-AS)

All companies (listed or unlisted) having net worth of Rs 5,000 Million or more are required to adopt Ind AS. All amounts included in the financial statements are reported in of Indian rupees (Rupees in) except number of equity shares and per share data, unless otherwise stated.

1.3 Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised

1.4 Revenue Recognition

i) Operating Income

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

ii) Other Income

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

iii) Revenue Recognition on Actual Realization

Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since reliability of such items is uncertain, in accordance with the provisions of Ind AS-18 :-

- a) Duty credit / exemption under various promotional schemes of EXIM policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/service tax / sales-tax /VAT and interest thereon etc.
- b) Decrees pending for execution/contested dues and interest thereon, if any:
- c) Interest on overdue recoverable where realisability is uncertain.
- d) Liquidated damages on suppliers/underwriters.

1.5 Property, Plant and Equipments

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

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

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

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

1.6 Depreciation

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

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

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

1.7 Borrowing Costs

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

1.8 Inventory

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

Basis of determination of cost remain as follows:

Raw Materials, Work-in-Progress, Finished Goods- On “First in First Out” basis.

1.9 Provisions

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

1.10 Contingent Liabilities / Assets

Contingent Liabilities

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

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

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

Contingent Assets

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

1.11 Taxation

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

Current tax

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

Deferred tax

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

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

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

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

Current and deferred tax for the year

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

1.12 Impairment

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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

De-recognition of financial assets

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

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

1.13 Impairment

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.14 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

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

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the

financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

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

a) Cash and cash equivalents

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

b) Loans and receivables

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

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

c) Trade and other payables

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

1.15 Prior Period Errors

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

34. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30-05-2019.

Our Report attached,
For D.V.ADITYA & CO.,
Chartered Accountants,
FRN:000044S

Sd/-
(D.V.ADITYA)
Proprietor
Membership No.022646

Hyderabad
Date: 30.05.2019

For Narbada Gems and Jewellery Ltd.,

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Sd/-
Bajranglal Agarwal
Chief Financial Officer

Sd/-
Bhavna Sanghi
Director
DIN: 02681438

Sd/-
Ashish Kumar Gupta
Company Secretary
M.No :A46274

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)
(Annual General Meeting –27th September, 2019)

I hereby record my presence at the Annual General Meeting of the Company held on, Friday, 27th September, 2019 at 11:00 A.M. at Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001

Full name of the member (In BLOCK LETTERS).....

Folio No.DP ID No.Client ID No.....

Full name of Proxy (In BLOCK LETTERS):

Member/ Proxy(s) Signature:

----- Tear here -----

**FORM NO. MGT-11
PROXY FORM**

[Pursuant To Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L01222TG1992PLC014173

Name of the Company: **Narbada Gems And Jewellery Limited**

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

Name of the Member(s):

Registered Address:

E-mail ID:

Folio No/ Client ID:

DP ID:

I/ We, being the member(s) of shares of the above named Company, hereby appoint:

1. Name: Address:
E-mail ID: Signature:
or falling him
2. Name: Address:
E-mail ID: Signature:
or falling him
3. Name: Address:
E-mail ID: Signature:

----- Tear here -----

As my/ our proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the 27th Annual General Meeting of the Company, to be held on Friday, 27th September, 2019 at 11:00 A.M. at Hotel Royaltan, 5-9-208, Chappel Road, Abids, Hyderabad- 500001, and at any adjournment thereof in respect of such resolution(s) as are indicated below

S. No.	Resolution	For	Against
	Ordinary Business:		
1.	To receive, consider and adopt the Audited Financial Statements for the year ended on 31st March, 2019 and the Report of the Board of Directors and Auditors thereon.		
2.	To re-appoint Mrs. Bhavna Sanghi, Director (DIN: 02681438), who retires by rotation and being eligible, offers herself for re-appointment.		
	Special Business:		
3.	To re-appoint Shri Ramprasad Vempati (DIN: 01903161) as an Independent Director of the Company.		
4.	To re-appoint Shri Siddharth Goel (DIN: 03022978) as an Independent Director of the Company.		
5.	To appoint Shri Praveen Kumar Agarwal (DIN: 02012257) as an Independent Director of the Company.		
6.	To appoint Mr. Tejas Sanghi (DIN: 05272447) as Director of the Company.		
7.	To approve the Related Party Transactions of the Company.		

Signed this day of 2019

Signature of the Shareholder(s) Signature of Proxy (s).....

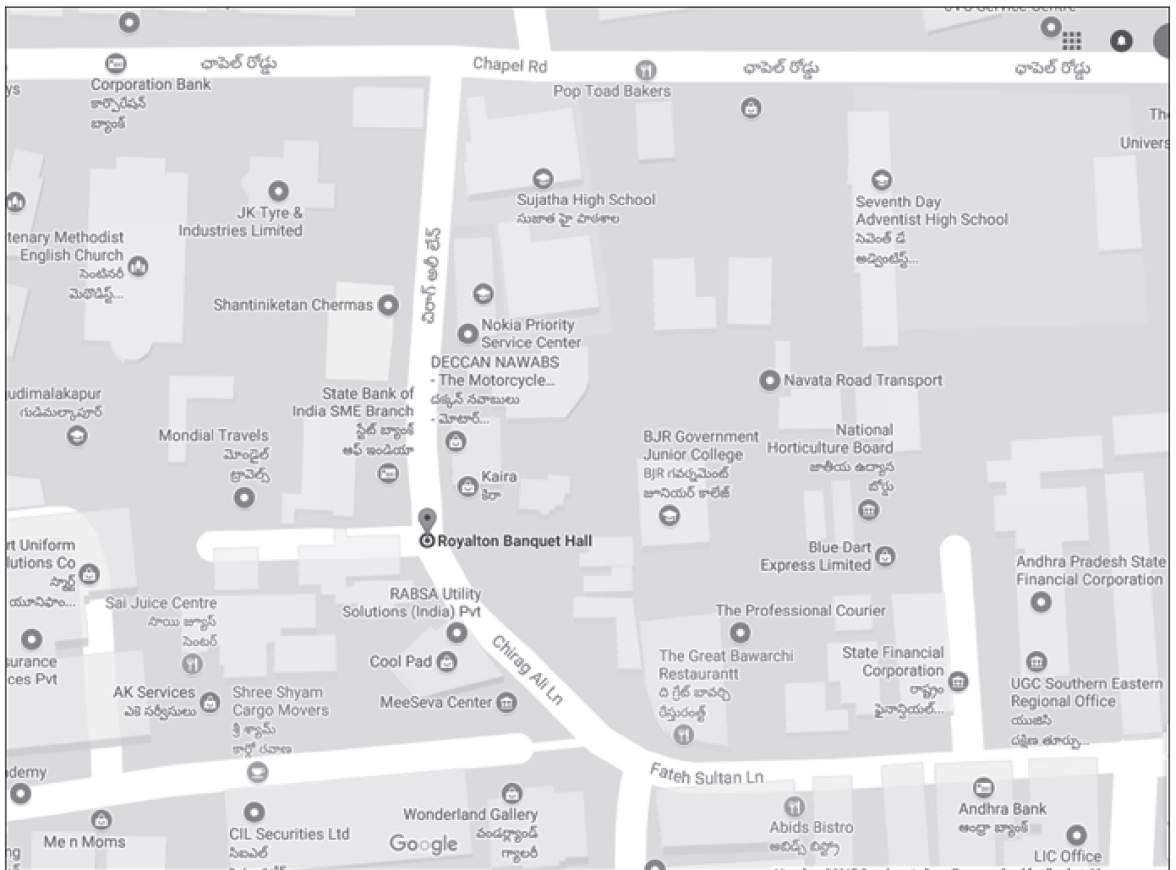
Note: The form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.

Affix Revenue Stamp

ROUTE MAP FOR THE 27th ANNUAL GENERAL MEETING- 27.09.2019

VENUE:

Hotel Royalton,
5-9-208, Chappel Road,
Abids, Hyderabad- 500001







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NARBADA GEMS AND JEWELLERY LIMITED

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

Tel: +91-40-4850 6411, E-mail: comsec@narbadajewellery.com