



**Narbada**  
Gems and Jewellery Limited

Date: 19.11.2020

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

**Sub: Notice of 28<sup>th</sup> Annual General meeting and Annual Report 2019-20**

**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 2019-20, convening the 28<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 11<sup>th</sup> December, 2020 at 12:00 P.M. through Video Conferencing ("VC") facility/ Other Audio Visual Means ("OVAM").

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

Thanking You

Yours Faithfully

**For NARBADA GEMS AND JEWELLERY LIMITED**

  
**BAJRANGLAL AGARWAL**  
(Chief Finance Officer)



Encl: As stated above

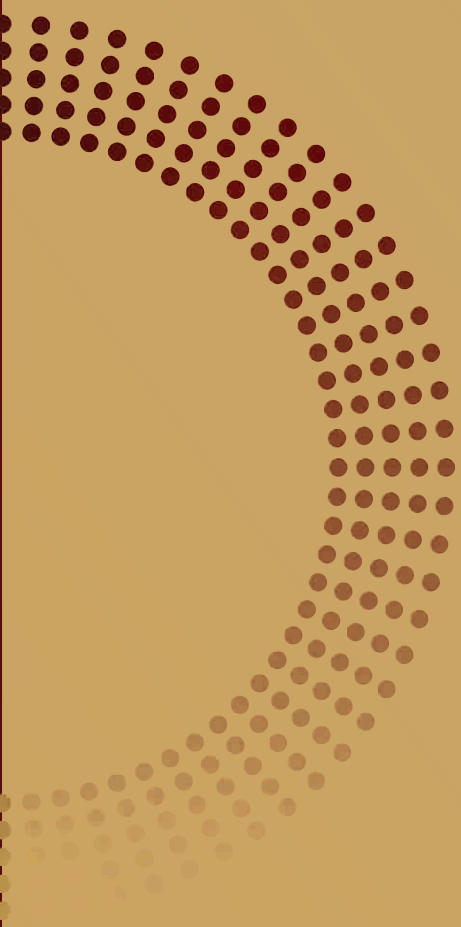
**Registered Office:**

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



# Narbada

Rosecut & Flat Diamond Jewellery



## 28<sup>th</sup> ANNUAL REPORT

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NARBADA GEMS AND JEWELLERY LIMITED



## CONTENTS

<b>Particulars</b>	<b>Page Nos.</b>
Notice	3-19
Directors' Report with Annexures	20-48
Certificate for non-disqualifications of Directors	49
Management Discussion and Analysis Report	50-57
Certificate on Corporate Governance	58
Compliance Certificate	59
Independent Auditors' Report	60-69
Financial Statements	70-72
Schedules forming a part of Accounts	73-79
Significant Accounting Policies	80-93

**BOARD OF DIRECTORS**

Shri Sanjay Kumar Sanghi	- Managing Director
Shri Ritesh Kumar Sanghi	- Director
Smt. Bhavna Sanghi	- Director
Shri Siddharth Goel	- Independent Director
Shri Ramprasad Vempati	- Independent Director
Shri Praveen Kumar Agarwal	- Independent Director (upto 11.08.2020)
Shri Vinod Agarwal	- Independent Director (upto 14.11.2019)
Shri Sunil Garg	- Additional Director (Independent) (w.e.f 27.08.2020)
Mr. Bajranglal Agarwal	- Chief Financial Officer
Mr. Ashish Kumar Gupta	- Company Secretary (resigned w.e.f 28.09.2019)
Mr. Nitin Agarwal	- Company Secretary (w.e.f. 28.08.2020)

**AUDITORS**

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

**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

## NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of **NARBADA GEMS AND JEWELLERY LIMITED** will be held Friday, 11th December, 2020 at 12:00 P.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended on 31st March ,2020 and the Report of the Board of Directors and Auditors thereon.
2. To appoint director in place of Shri Ritesh Kumar Sanghi, Director (DIN: 00628033), who retires by rotation and being eligible, offers himself for re-appointment.
3. To Appoint M/s. Anant Rao & Mallik., Chartered Accountants (Firm Registration No. 006266S) as Statutory Auditors of the Company for a period of 5 years.

To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary:-

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors Rules, 2014 (the Rules), including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to recommendation made by the Board of Directors M/s. Anant Rao & Mallik, Chartered Accountants (Firm Registration No. 006266S), Hyderabad, be and are hereby appointed as Statutory Auditors of the Company for a period of 5 consecutive years who shall hold office from the conclusion of this Annual General Meeting till the conclusion of 33rd Annual General Meeting to be held in 2025 at such remuneration and reimbursement out-of-pocket expenses incurred in connection with the audit carried out by them as may be agreed between the Auditors and Board of Directors from time to time.”

### SPECIAL BUSINESS:

4. **To appoint Shri Sunil Garg 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 Sunil Garg, who was appointed as Additional Director and proposed by the Board to be appointed as Independent Director at Board meeting 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 11th December, 2020, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years on the Board, without any remuneration.”

5. **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 at prevailing market rates and at arm’s length basis and in the ordinary course of business of the Company with the related parties, as follows:

Sl. No.	Name of related parties	Nature of relationship	Type of Contract/ Transaction	Transaction Limit	Duration
1.	Sanghi Jewellers Private Limited	Company having common directors	Purchase/ sale of various manufactured products and availing Jobwork services.	Rs. 20,00,00,000/- (Rupees Twenty Crores only)	From 01.10.2020 to 30.09.2021
2.	Uday Jewellery Industries Limited	Company having common directors	Sale/ purchase of various manufactured products	Rs. 20,00,00,000/- (Rupees Twenty Crores only)	From 01.10.2020 to 30.09.2021

“**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.”

6. **To approve the preferential issue and Allotment of Equity Warrants of the Company to Promoter/ Promoter Group/ Non Promoter Resident Individuals convertible into equity shares in one or more tranches.**

To consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(c), 42 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014 and in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other guidelines and clarifications issued by any other competent authority, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the permissions, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such permissions, sanctions and approval, the consent of the Members be and is hereby accorded to issue and allot upto 91,00,000 warrants (“Equity Warrants”) on a preferential basis for Rs. 17.00 per warrant, each convertible into one Equity Share of face value of Rs. 10/- each at a premium of Rs. 7/- per share, within a period of 18 (Eighteen) months from the date of allotment of Equity

Warrants, from time to time in one or more tranches, at a price to raise Rs. 15,47,00,000 ( Rupees Fifteen Crores Fourty Seven Lakhs only) (including the warrant subscription price and the warrant exercise price) of Rs.17.00/- each aggregating Rs. 15,47,00,000/- ( Rupees Fifteen Crores Fourty Seven Lakhs only) , subject to any price adjustments, in accordance with the provisions of Chapter V of the ICDR Regulations or other applicable laws.”

“**RESOLVED FURTHER THAT**, in accordance with the provisions of Chapter V of the ICDR Regulations, the “Relevant Date” for the purpose of calculating the price for the issue of Equity Shares pursuant to the Issue and exercise of the Equity Warrants will be 30 days prior to the date of the Twenty Eighth Annual General Meeting.”

“**RESOLVED FURTHER THAT** the said Equity Warrants shall be issued to the proposed allottees within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Equity Warrants is pending on account of pendency of any approval for such issue by any regulatory authority or the Central Government, the issue shall be completed within a period of 15 days from the date of such approval.”

“**RESOLVED FURTHER THAT** a Committee of the Board of Directors be constituted in this regard, with the following members, to do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to appoint any professional advisors, Valuers, consultants and legal advisors to give effect to the aforesaid resolution.”

SI No	Name of the Director	Designation
1.	Shri. Sanjay Kumar Sanghi	Chairperson
2.	Shri. Ritesh Kumar Sanghi	Director
3.	Shri. Ramprasad Vempati	Independent Director

“**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Equity Warrants shall be subject to following terms:

- a. The Equity Shares to be so allotted on exercise of the Equity Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company. The Equity Warrants may be exercised by the Equity Warrants holder(s) at any time before the expiry of 18 months from the date of allotment of the Equity Warrants, upon full payment.
- b. An Equity Warrant subscription price equivalent to 25% of the issue price of the Equity Shares will be payable at the time of subscription to the Equity Warrants, as prescribed under ICDR Regulations, which will be kept by the Company to be adjusted and appropriated against the issue price of the Equity Shares. An Equity Warrant exercise price equivalent to the 75% of the issue price of the Equity Shares shall be payable by the Equity Warrant holder(s), in tranches, at the time of exercising the proportionate Equity Warrants.
- c. The issue of the Equity Warrants as well as Equity Shares arising from the exercise of the Equity Warrants shall be governed by the regulations and guidelines issued by SEBI or any other statutory authority, as the case may be or any modifications thereof.



- d. In the event the Equity Warrant holder(s) does not exercise the Equity Warrants within 18 months from the date of allotment of the Equity Warrants, the Equity Warrants shall lapse and the amount paid thereon shall stand forfeited by the Company.
- e. The Equity Warrants issued and allotted to the Promoter Group will be transferable within the Promoter Group subject to the approval of the Board and such other approvals as may be necessary.
- f. In the event of the Company making a bonus issue by way of capitalization of its reserves, or a rights offer by way of issue of new Equity Shares, prior to allotment of Equity Shares resulting from the exercise of the Equity Warrants, the issue price of the Equity Shares to be allotted against such Equity Warrants shall be subject to appropriate adjustment, subject to the SEBI ICDR Regulations and other applicable law.
- g. The Equity Shares to be issued and allotted by the Company on exercise of the Equity Warrants in the manner aforesaid shall rank pari passu in all respects including dividend, with the existing Equity Shares of the Company.
- h. The Equity warrants and the Equity Shares allotted pursuant to exercise of such warrants shall be subject to a lock-in for such period as specified under Chapter V of the ICDR Regulations relating to preferential issues.”

“**RESOLVED FURTHER THAT** the Board or a Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary for giving effect to above resolutions, to file the necessary forms with the Registrar of Companies, Telangana, SEBI, BSE and to authorize all such persons in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit without being required to seek any fresh approval of the shareholders of the Company and to take all other steps which may be ancillary in this connection.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolutions, including making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.”

For and on behalf of the Board

Sd/-

**Sanjay Kumar Sanghi**

Managing Director

DIN: 00629693

**Date:**13.11.2020

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

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

**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to a least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com). The Notice can also be accessed from the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 07th December, 2020 to 11th December, 2020 (both days inclusive) for the purpose of Annual General Meeting.

9. Shri Ajay S. Shrivastava, Practicing Company Secretary has been appointed as “Scrutinizer” for the Business mentioned to be conducted by e-voting.
10. The Results of the e-voting will be declared by Director by 12th December, 2020, by 05:00P.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 the website of the Stock Exchange; www.bseindia.com.
11. The Explanatory Statement under Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 4,5 and 6 is annexed herewith.
12. The details pertaining to Director(s) liable to retire by rotation and director(s) proposed to be appointed/ re-appointed as required to be provided pursuant to the Listing Agreement with the Stock Exchange are as follows:

**PROFILE OF THE DIRECTOR RETIRING BY ROTATION:** Shri Ritesh Kumar Sanghi, aged about 49 years has rich and varied experience in the field of production processes in which the Company is engaged, as well as in strategy formulation and management. He has an experience of more than 27 years in the jewellery industry. His shareholding in the Company is 16,88,499 Equity shares representing 14.00% of total share capital of the Company as on 31stMarch, 2020.

His directorships in other public companies as on 31.03.2020 are:

1. Uday Jewellery Industries Limited
2. Trisa Retail Limited

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on **8th December, 2020 at 09:00 A.M and ends on 10th December, 2020 at 05:00 P.M.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off of 7th December, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on “Shareholders” module.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (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](http://www.evotingindia.com) and voted on an earlier e-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:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<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"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.</li> <li>• 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 Ram Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB</b>	<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>
<b>Bank Account Number (DBD)</b>	<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"> <li>• Please Enter the DOB or Bank Account Number in order to Login.</li> <li>• 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 (v).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For shareholders 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 ‘**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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHO’S EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their requesting advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number

at [comsec@narbadajewellery.com](mailto:comsec@narbadajewellery.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [comsec@narbadajewellery.com](mailto:comsec@narbadajewellery.com). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xix) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [comsec@narbadajewellery.com](mailto:comsec@narbadajewellery.com). if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). or call 1800225533.

- (xx) 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.
- (xxi) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.narbadajewellery.com](http://www.narbadajewellery.com) and on the website of CDSL. The same will be communicated to the BSE Ltd.

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

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

**Item no. 4:**

Shri Sunil Garg (DIN:08851283) is proposed to be appointed as a Director and 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 Listing Agreement with the stock exchange. The Nomination and Remuneration Committee of the Board has recommended his appointment which was further approved by the Board. Shri Sunil Garg 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 Sunil Garg 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. 4 of the Notice for the appointment of Shri Sunil Garg as an Independent Director, not liable to retire by rotation.

**Profile:**

Shri Sunil Garg, aged about 38 years has fairly good experience in Business Administration and management.

His directorships held in other public companies as on 31.03.2020: Nil

Except Mr. Sunil Garg and his relatives, 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.4.

**Item no. 5:**

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

Section 188 of the Companies Act, 2013 (“the Act”) and the applicable Rules framed there under read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) provide that Related Party Transactions will require prior approval of shareholders through ordinary



resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

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

Hence, approval of the shareholders is being sought for the said Related Party Transactions proposed to be entered into by your Company with UJIL and SJPL for a period of 12 months starting from 1st October, 2020 to 30th September, 2021.

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

<b>Sl. No.</b>	<b>Name of related parties</b>	<b>Nature of relationship</b>	<b>Type of Contract/ Transaction</b>	<b>Transaction Limit</b>	<b>Duration</b>
1.	Sanghi Jewellers Private Limited	Company having common directors	Purchase/ sale of various manufactured products and availing Jobwork services.	Rs. 20,00,00,000/- (Rupees Twenty Crores only)	From 01.10.2020 to 30.09.2021
2.	Uday Jewellery Industries Limited.	Company having common directors	Sale/ purchase of various manufactured products	Rs. 20,00,00,000/- (Rupees Twenty Crores only)	From 01.10.2020 to 30.09.2021

The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

**Item No.6:**

**a) The objects of the issue:**

The objective of the proposed preferential allotment of Equity Warrants is to utilize the proceeds for augmenting the long term financial resources for enhancing of its business operations. The infusion of fresh capital is sought to be deployed for working capital purpose due to increase in prices of all raw materials used by the Company and will help to boost the financial resources , facilitate ease of operations and enhance its business on the whole.

**b) The proposal of the promoters/directors/key management personnel to subscribe to the offer:**

Mr. Ritesh Kumar Sanghi, Mr. Sanjay Kumar Sanghi, Mrs. Bhavna Sanghi, Mr. Hanumanthrai Sanghi, Mrs. Sarala Sanghi, Mrs. Pritha Sanghi, Mr. Tejas Sanghi, Mr. Uday Sanghi, Mrs. Mahima Sanghi and Mrs. Sakshi Sanghi belonging to the Directors, Promoter and Promoter Group will be subscribing to Equity Warrants in the preferential issue. Apart from them, none of the promoters, directors or key management personnel of the Company intends to apply /subscribe to the proposed issue.

**c) Total number of securities proposed to be issued:**

The Company, subject to necessary approvals, is proposing to issue and allot, on a preferential basis, upto 91,00,000 Equity Warrants which may be exercised to receive Equity Shares at a price (including the Equity Warrant Subscription Price and Equity Warrant Exercise Price) of Rs. 17/- each (Rupees Seventeen only) determined in accordance with the ICDR Regulations.

**d) Pricing:**

The minimum price as per the pricing formula prescribed under the Chapter V of ICDR Regulations for the preferential issue of Equity Warrants is Rs. 17.00/- each, being the Net Asset Value of the Company as on the last Audited Balance Sheet for the Financial Year ending 31st March, 2020, the equity shares being infrequently traded at the stock exchange i.e. BSE Limited. Therefore, the Share Warrants are proposed to be issued at a price of Rs. 17.00/- per warrant to raise a total of upto Rs. 15,47,00,000/- (Rupees Fifteen Crores, Fourty Seven Lakhs only). Upon Conversion, the same shall be apportioned as Rs. 10/- towards Share Capital and Rs. 7/- per share towards Share Premium.

**e) Relevant Date:**

The "Relevant Date" as per the ICDR Regulations for determining the minimum price for the preferential issue of Equity Warrants is 10th November, 2020 being 30 days prior to the date of this Annual General Meeting i.e. 11th December, 2020.

**f) Proposed time within which the allotment shall be completed:**

In accordance with the ICDR Regulations, the preferential issue of Equity Warrants shall be completed, within a period of 15 days from the date of passing of the special resolution contained under this item of business provided that where the allotment on preferential basis is pending on account of pendency of any approval of such allotment from any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 days from the date of such approval.

**g) The shareholding pattern of the Company before and after the preferential issue of Equity Warrants:**

S. No.	Category	Pre Issue		Post Issue	
		No. of Shares held	% of share holding	No. of Shares held post conversion of all warrants	% of share holding
A 1.	<b>Promoters Holding:</b>				
	Indian:				
	Individual	72,35,531	60.01	1,58,35,531	74.85
	Bodies Corporate	550	0	550	0.00
	Sub Total				
2.	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	<b>72,36,081</b>	<b>60.01</b>	<b>1,58,36,081</b>	<b>74.85</b>

**NARBADA GEMS AND JEWELLERY LIMITED**

<b>B</b>	<b>Non Promoters' Holding:</b>				
<b>1.</b>	<b>Institutional Investors</b>	-	-		-
<b>2.</b>	<b>Non Institution:</b>				
	Bodies Corporate	50,754	0.42	50,754	0.24
	Directors and relatives	-	-	-	-
	Indian Public	47,58,361	39.47	52,58,361	24.85
	Others (Including NRIs)	12,114	0.1	12,114	0.06
	<b>Sub Total (B)</b>	<b>48,21,229</b>	<b>51.63</b>	<b>53,21,229</b>	<b>25.15</b>
	<b>GRAND TOTAL</b>	<b>1,20,57,310</b>	<b>100.00</b>	<b>2,11,57,310</b>	<b>100.00</b>

**Note:** The above post-issue shareholding pattern assumes that the Preferential Issue of Equity Warrants issued pursuant to this resolution are fully converted into equity shares, failing which, the percentage will change accordingly.

h) The proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

The Equity Warrants proposed to be allotted and the percentage of the post preferential issue capital that may be held by them is given in the following table:

- Persons whose Equity Warrants are convertible into Equity shares in one or more tranches

Name of the Proposed Allottee	Category Promoter/ Promoter Group/Non-Promoter	Address	Permanent Account Number (PAN)	No. of securities to be allotted	% share holding in the Company post issue
Sanjay Kumar Sanghi	Promoter	8-2-686/D/6/7, Road No. 12, Banjara Hills, Hyderabad-34, Telangana	AMQPS5787G	7,70,000	11.62
Ritesh Kumar Sanghi	Promoter	8-2-686/D/6/7, Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	AFVPS5465B	8,20,000	11.86
Hanumanthrai Sanghi	Promoter Group	8-2-686/D/6/7, Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	AEAPS7073P	15,00,000	8.69
Sarala Sanghi	Promoter Group	8-2-686/D/6/7, Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	AFVPS5457B	17,00,000	10.15

**NARBADA GEMS AND JEWELLERY LIMITED**

Pritha Sanghi	Promoter	8-2-686/D/6/7,Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	AJYPS6286K	5,00,000	6.74
Bhavna Sanghi	Promoter Group	8-2-686/D/6/7,Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	AJYPS6513M	7,20,000	7.75
Tejas Sanghi	Promoter Group	8-2-686/D/6/7,Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	DUIPS4099N	5,60,000	5.75
Uday Sanghi	Promoter Group	8-2-686/D/6/7,Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	EYNPS5899Q	6,80,000	5.91
Sakshi Sanghi	Promoter Group	8-2-686/D/6/7,Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	BHIPA4577Q	7,50,000	3.54
Mahima Sanghi	Promoter Group	8-2-686/D/6/7,Road No. 12, Banjara Hills, Hyderabad, 500034, Telangana	BSYPA9668K	600,000	2.84
<b>Total</b>				<b>86,00,000</b>	<b>74.85</b>

**Note:** All the Proposed allottees are natural persons; hence, the disclosure of ultimate beneficial ownership is not applicable.

**• Persons whose Equity Warrants are convertible into Equity shares in single tranche**

Name of the Proposed Allottee	Category Promoter/ Promoter Group/Non-Promoter	Address	Permanent Account Number (PAN)	No. of securities to be allotted	% share holding in the Company post issue
Praveen Agarwal	Non-Promoter	3-6-305/79, Avanti Nagar, Hyderguda, Himayatnagar Hyderabad Telangana	AGYPK9879R	4,00,000	1.90
Sandeep Gupta	Non-Promoter	H.no 21-2-171 Charkaman Hyderabad500002 Andhrapradesh	AFWPG3198L	25,000	0.13

**NARBADA GEMS AND JEWELLERY LIMITED**

Sandhya Gupta	Non-Promoter	H.no 21-2-171 Charkaman Hyderabad500002 Andhra Pradesh	ADJPG9144M	25,000	0.12
Devendra Gupta	Non-Promoter	6-3-883/2/3 Near Topaz Building Punjagutta Hyderabad 500082 Telangana	AFXPK6307E	50,000	0.97
<b>Total</b>				<b>5,00,000</b>	<b>3.12</b>

**i) Change in control:**

As a result of the proposed Preferential Issue of Equity Warrants, and upon conversion of the Equity Warrants, there will be no change in the control of the Company.

**j) Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

This is the first preferential issue of securities by the Company in the current financial year and no other persons have been allotted any securities on a preferential basis during the current year.

**k) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

The proposed allotment of equity warrants is to be made on preferential basis for cash and therefore the said justification is not applicable to the Company.

**l) Lock-in-period:**

Pre-preferential allotment holding of Equity Shares, non disposal of Equity Shares and lock-in period of the Equity Shares:

- i. The Equity Shares to be allotted on a preferential basis to the Promoter Group Company, pursuant to exercise of options against each Warrant, shall be subject to 'lock-in' for a period of three years from the date of trading approval for such Equity Shares in accordance with Regulation 167 of the ICDR Regulations.
- ii. The Equity Shares allotted on a preferential basis to the Non-Promoter Group shall be subject to 'lock-in' for a period of one year from the date of trading approval as per Regulation 167 of the ICDR Regulations.
- iii. The entire pre-preferential allotment shareholding, if any, of the proposed allottees under Promoter and Non-Promoter Group shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 167 of the ICDR Regulations.

**m) Auditor's certificate:**

A copy of the certificate from Anant Rao & Mallik, Chartered Accountants, the statutory auditors of the Company, certifying that the above preferential issue of Equity Warrants is made in accordance with the applicable provisions of the ICDR Regulations shall be placed before the members at the Annual General Meeting.

- n) Undertaking:** In terms of the ICDR Regulations, the Company hereby undertakes that:
- i. It shall re-compute the price of the Equity Warrants in terms of the provision of the ICDR Regulations where it is required to do so.
  - ii. If the amount payable on account of the re-computation of price is not paid within the time stipulated in the ICDR Regulations, the underlying Equity Warrants shall continue to be locked-in till the time such amount is paid by the proposed allottees.
  - o) Disclosure specified in Schedule VI, if the issuer or any of its promoters or directors is a willful defaulter:  
  
The Company and its Promoters and Directors are not declared as willful defaulters. Therefore, the details required for disclosure are NIL.
  - p) Other salient features of the preferential issue of equity warrants are as under:

The proposed issue and allotment of Equity Warrants, on a preferential basis, shall be governed by the applicable provisions of the ICDR Regulations, 2018 as amended and the Companies Act, 2013 read with the applicable provisions of the rules made there under. Without generality to the above, the salient features of the preferential issue of Equity Warrants are:

- The amount equivalent to 25% of the total amount payable for preferential issue of Equity Warrants shall be received by the Company prior to the allotment of the warrants.
- The Equity Warrants shall be exercised within a period of 18 (eighteen) months from the date of their allotment, in one or more tranches as per the terms agreed with the subscribers.
- At the time of exercise, the Equity Warrant holder(s) shall pay the balance 75% of the consideration payable in respect of the Equity Warrants so being exercised on proportionate basis.
- Post conversion of the Warrants (assuming full conversion), the increase in Equity Share Capital would be Rs. 9,10,00,000/- (Rupees Nine Crores Ten Lakhs only) and the Securities Premium Account would be Rs. 6,37,00,000/- (Rupees Six Crore Thirty Seven Lakhs only).

Apart from Mr. Sanjay Kumar Sanghi, the Managing Director, Mr. Ritesh Kumar Sanghi, Director and Mrs. Bhavna Sanghi, Director, belonging to the promoter and promoter group; none of the Directors or Key Managerial Personnel are any way concerned or interested in the proposed resolution in item no.6.

The Board of Directors recommends the resolution set out at item no. 6 of this notice for approval of the shareholders as Special Resolution.

For and on behalf of the Board  
Sd/-

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

**Date:**13.11.2020

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

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

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**DIRECTORS' REPORT**

To  
The Members,  
NARBADA GEMS AND JEWELLERY LIMITED

Your Directors have great pleasure in presenting the **Twenty Eight Annual Report** along with the Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

### 1. FINANCIAL HIGHLIGHTS

The highlights of the financial statements of the Company for the financial year ended March 31, 2020, are as under:

(Rs. in Lakhs)

Particulars	31.03.2020	31.03.2019
Revenue from operations	5543.46	4057.20
Other Income	8.34	12.56
<b>Total Revenue</b>	<b>5551.81</b>	<b>4069.76</b>
Expenses	5224.66	3869.57
<b>Profit before Tax</b>	<b>327.15</b>	<b>200.19</b>
<b>Tax Expense</b>		
Current tax	83.11	55.00
Deferred tax	0.68	1.19
<b>Profit after Tax</b>	<b>243.35</b>	<b>143.99</b>
Earnings per Equity share	2.06	1.60

### 2. STATE OF COMPANY'S AFFAIRS:

During the year under review, your Company has achieved a turnover of Rs. 5543.46 Lakhs against Rs. 4057.20 Lakhs during previous year registering a growth of 36.63% over the previous year. The Company reported a Net Profit of Rs. 243.35 Lakhs as against Rs.143.99 Lakhs earned during previous year registering a growth of 69.00%.

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

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 and implementation on all sphere of business activities will result in a sustainable profit growth over a period of time.

In order to meet the rising need for long term financial resources due to increase in almost all raw material prices and in order to scale up the operations, the Company requires long term working capital funds for the business. In this regard, it is also proposed to infuse further capital in the business by way of issuing further share warrants convertible into equity shares on preferential basis. This would boost its financial resources, facilitate ease of operations and enhance its business on the whole.

**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 2019-20.

**5. RESERVES:**

Amount to be carried forward to the reserves is Rs.243.35 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. 12,05,73,100/- divided into 1,20,57,310 Equity shares of Rs. 10/- each with Voting Rights as on 31st March, 2020.

During the year under review, the Company has allotted 21,14,900 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 solely 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.

**Further Issue of Capital by way of issue of Fully Convertible Warrants:**

The Board has recommended augmentation of long term financial resources by further issue of Capital by way of issue of upto 91,00,000 Warrants for a price Rs. 17 per warrant to raise upto Rs. 16.00 Crores, to be compulsorily converted into One Share per warrant within 18 months of allotment of the said warrants, in accordance with the prevailing Regulations under chapter V of SEBI- ICDR, 2018 as amended.

**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 2019-20 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) 6.55% and Central Depository Services (I) Ltd. (CDSL). 86.13% of the total shareholding of the Company was held in dematerialized form as on 31st March 2020. All further issue of shares has been in demat form only.

**12. DIRECTORS:**

Your Board consists of Six Directors including Three Independent (Non- Executive Directors). The declaration from all the Independent Directors are being 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, Mr. Ritesh Kumar Sanghi, Director (DIN: 00628033), of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Shri Ramprasad Vempati (DIN: 01903161), Siddharth Goel (DIN: 03022978), Shri. Praveen Kumar Agarwal (DIN: 02012257) were the Independent Directors during the Financial Year 2019-20 and all have given declarations that they continue to meet the criteria of independence

as laid down under section 149(6) of the Companies Act, 2013 and regulations 16(1)(b) of the LODR Regulations and that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

During the year under review, Mr. Tejas Sanghi, Director of the Company resigned w.e.f 20th November, 2019 and Mr. Vinod Agarwal, Independent Director of the Company resigned w.e.f 14th November, 2019. Your directors place on record their sincere appreciation for the valuable contribution made by Mr. Tejas Sanghi & Mr. Vinod Agarwal during their tenure.

After the end of the Financial year, Mr. Praveen Kumar Agarwal, Independent Director of the Company resigned w.e.f 11th August, 2020 and Mr. Sunil Garg has been appointed as Additional and Independent Director w.e.f 27.08.2020 subject to the approval of members in ensuing Annual General Meeting. The Board recommends approval of his appointment.

All the above changes in the composition of the Board were made on the recommendation of the Nomination & Remuneration Committee.

### **13. 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:

1. Mr. Sanjay Kumar Sanghi - Managing Director
2. Mr. Bajranglal Agarwal - Chief Financial officer

CS Ashish Gupta (A46274) has resigned from the position of Company Secretary and Compliance officer of the Company on 28.09.2019. The Board places on record appreciation for the services and contribution made by him during his tenure.

After the end of financial year, Mr. Nitin Agarwal (A56089) was appointed as Company Secretary and Compliance Officer w.e.f 27.08.2020.

### **14. DECLARATION BY INDEPENDENT DIRECTORS:**

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

During the year under review, the separate meeting of Independent Directors of the Company without the presence of non-independent directors and members of the management and all the independent directors were present in the meeting held on 24th January, 2020 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.

**15. MANAGERIAL REMUNERATION**

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

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

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

**b. Details of percentage increase in the remuneration of each Director and CFO and Company Secretary in the Financial Year 2019-20 are as follows:**

Name	Designation	Remuneration (in Rs.)		Increase %
		2019-20	2018-19	
Sanjay Kumar Sanghi	Managing Director	-	-	-
Ritesh Kumar Sanghi	Director	-	-	-
Bajranglal Agarwal	Chief Financial Officer	6,00,000	6,00,000	-
Ashish Kumar Gupta*	Company Secretary	2,50,887	4,15,207	-

\*For the part of financial year

- c. Number of permanent employees on the rolls of the Company as on 31st March, 2020 are 51.  
 d. Stock option details: Nil

**16. BOARD COMMITTEES :**

The Board has constituted three committees at present:

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

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

**17. 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 2020, 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 2020 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.

**18. 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](http://www.narbadajewellery.com) All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2020.

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

During the year, Five Board Meetings were convened and held. The dates on which the said meetings were held are: 15.05.2019, 30.05.2019, 13.08.2019, 14.11.2019, and 12.02.2020, the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**20. 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](http://www.narbadajewellery.com)

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

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

The related party transactions during the year are in accordance with the approval of shareholder in Annual General Meeting held on 28th September, 2019.

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.

**22. CORPORATE GOVERNANCE**

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

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

Your Company has zero tolerance towards sexual harassment at workplace. It has a well - defined policy in compliance with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. An Internal Committee is in place to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during financial year 2019-20.

**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 & 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:**

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

During the financial year ended 31st March 2020 under review, there were no cases pertaining to Whistle Blower Policy. The said policy of the Company can be accessed at [www.narbadajewellery.com](http://www.narbadajewellery.com)

**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 and the Compliance Officer are responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code. The same has been displayed at the company's website at [www.narbadajewellery.com](http://www.narbadajewellery.com)

**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 augmenting of mitigation plans.

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

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

**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. 615.21 Lakhs only. Foreign Exchange outgo are Nil.

**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. AUDITORS:**

**a) Statutory Auditors:**

The Company had appointed M/s D.V. Aditya & Co., Chartered Accountants, (Firm Reg. No. 000044S, M. No. 022646), Hyderabad, as Statutory Auditors of the Company at the 25th Annual General Meeting of the Company, to hold office till the conclusion of the 30th Annual General Meeting to be held in the calendar year 2022 for issuing the Audit report on the Financial position of the Company. The Statutory Auditors of the Company had issued Auditors Report for the financial year ended 31st March, 2020 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, 2020. Hence, no explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013 is required.

However, M/s D.V. Aditya & Co. (Firm Registration No. 000044S), Statutory Auditors of the Company, has submitted resignation from the office of Statutory Auditors of the Company w.e.f. 05th August, 2020. In order to fill the casual vacancy, the Board has approved the appointment of M/s. Anant Rao & Mallik, Chartered Accountants, Hyderabad (FRN: 006266S: Membership No: 022644) who shall hold office until the conclusion of ensuing Annual General Meeting of the Company.

M/s. Anant Rao & Mallik, Chartered Accountants, Hyderabad (FRN: 006266S: Membership No: 022644) the Statutory Auditors of the Company are to be re-appointed for a period of 5 years to hold office from the conclusion of this Annual General Meeting till the conclusion of 33rd Annual

General Meeting to be held in the year 2025 subject to the approval of members in the Annual General Meeting.

**b) Secretarial Auditor:**

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

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

**c) Internal Auditors:**

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

**32. SECRETARIAL STANDARDS:**

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

**33. EXTRACT 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 an extract of annual return in prescribed Form MGT 9 is being uploaded on Company’s website [www.narbadajewellery.com](http://www.narbadajewellery.com).

**34. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report covering the matters listed in Clause 34(2) (e) of the SEBI (LODR), 2015, for the year under review is given as separate and forms the part of Annual Report.

**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.

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

Material changes affecting the financial position are given below:



**Global Pandemic**

The outbreak of Corona Virus pandemic globally and in India in the last month of financial year 2020 forced the Government to enforce lockdown of the Country from 25th March,2020 including travel bans, quarantine, social distancing and closure of non-essential services which has caused significant disturbance and slowdown of economic activity. In the month of April, the operations had come to stand still, however the Company had implemented work from policy for its employees, wherever possible.

The Company has been taking all the necessary precautionary measures like adhering to social distancing and implemented all the safety measures like regular temperature measurement, wearing of masks, regular sanitization of sites to guard its employees against the spread the of Covid-19 as advised by the Government from time to time.

However, the performance of the Company may be impacted in future due to lasting effect of the disruption on the economy caused by Covid-19.

**37. ACKNOWLEDGEMENT:**

Your directors take this opportunity to thank the customers, shareholders, financial institutions, stock exchanges, SEBI, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies for their consistent support and encouragement to the Company.

We also place on record our sincere appreciation to all the members of Narbada Gems family including our employees for their hard work, support and commitment. Their dedication and competence has made these results achievable.

Date: 13.11.2020  
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**

<b>ANNEXURE</b>	<b>CONTENTS</b>
I	Particulars of Contract with related parties- Form AOC-2
II	Secretarial Audit Report- Form MR-3
III	Annual Secretarial Compliance report.
IV	Corporate Governance 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:**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details</b>
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:**

<b>Sl.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	<b>Sanghi Jewellers Private Limited- Uday Jewellery Industries Limited-</b> Company having common directors
b)	Nature of contracts/ arrangements/transaction	i. Purchases and sales of manufactured products, job work services and payment of Rent ii. Purchase and sales of manufactured products. iii. Payment of Rent.
c)	Duration of the contracts/ arrangements/transaction	i. Regular ii. Yearly iii. Yearly

**NARBADA GEMS AND JEWELLERY LIMITED**

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	During the year 2019-20 the total value of transactions with the related parties are as follows: <b>Sanghi Jewellers Private Limited</b> i. Purchases: Rs. 2,02,90,823/- only ii. Sales:Rs. 1,19,23,894/- only Uday Jewellery Industries Limited Sales: Rs. 24,39,104/-only
e)	Date of approval by the Board	Approval of Audit Committee and Board is taken every quarter. Prior approval of shareholders obtained in Annual General Meeting held on 28.09.2019.
f)	Amount paid as advances, if any	--

**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 31.03.2020**

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

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

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 remotely, I hereby report that in my opinion, the Company, during the audit period covering the financial year ended on 31st March, 2020, 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, 2020 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, 2018; - 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, as amended.
  - (j) Environment (Protection) Act, 1986, however, other environmental laws are not applicable as the Company is a non- polluting business Company.
- vi. We have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliances under other applicable Acts, Laws and Regulations to the Company.

We 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, including the below mentioned:

- i. The Company issued and allotted 21,14,900 Equity shares upon conversion of warrants on 15.05.2019 and the listing and trading approval was granted by BSE Limited..

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 have been some changes in the Board members but the same are in accordance with the prevailing provisions of the Act and the Regulations applicable.
- 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: 28.10.2020

Sd/-

**AJAY SUMAN SHRIVASTAVA**

FCS No.: 3489

C.P. No.: 3479

UDIN: F003489B001089145

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

This letter is to be read with the report even date and forms an integral part of this Secretarial Audit report for the year ended 31st March 2020:

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: 28.10.2020

Sd/-  
**AJAY SUMAN SHRIVASTAVA**  
FCS No.: 3489  
C.P. No.: 3479  
UDIN: F003489B001089145

**SECRETARIAL COMPLIANCE REPORT OF NARBADA GEMS AND JEWELLERY LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020**

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

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

I have examined:

- a) all the documents and records made available to us and explanations provided by **Narbada Gems and Jewellery Limited (“the listed entity”), ( BSE code: 519455)**
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2020 (“Review Period”)** in respect of compliance with the provisions of:

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

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

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- The Company has complied with the observations of BSE Ltd on the Preferential issue matter in accordance with Chapter V of ICDR, 2018 as amended and the shares were duly listed and trading permission granted by BSE Limited;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable during the period under review;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018( Not applicable to the Company during the period under review);
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014-2018( Not applicable to the Company during the period under review);
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-2018( Not applicable to the Company during the period under review);



- g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013-2018( Not applicable to the Company during the period under review);
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
- i) other regulations and circulars/ guidelines issued thereunder; (as applicable) and based on the above examination, I hereby report that, during the Review Period:
- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

<b>Sr. No.</b>	<b>Compliance Requirement (Regulations/ circulars / guidelines including specific clause)</b>	<b>Deviations</b>	<b>Observations/ Remarks</b>
1	Regulation 6(1) of SEBI- LODR	KMP and Compliance officer not appointed beyond time limit.	CS resigned on 28.09.2019. New Company Secretary not yet appointed.

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from myexamination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

<b>S. No</b>	<b>Action taken by</b>	<b>Details of violation</b>	<b>Details of action taken E.g. fines, warning letter, debarment, etc.</b>	<b>Observations/ Remarks</b>
	NIL	NIL	NIL	NA

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

<b>Sr. No.</b>	<b>Observations of the Practicing Company Secretary in the previous reports</b>	<b>Observations made in the secretarial compliance report for the year ended 31.03.2019.</b>	<b>Actions taken by the listed entity, if any</b>	<b>Comments of the Practicing Company Secretary on the actions taken by the listed entity</b>
	NIL	Nil as this is the first report	NA	NIL

Place: Hyderabad  
Date: 27.07.2020

**AJAY SUMAN SHRIVASTAVA**  
FCS No.: 3489  
C.P. No.: 3479  
UDIN: F003489B000512723

## **CORPORATE GOVERNANCE REPORT**

The report on Corporate Governance states compliance as per requirements of the Companies Act, 2013, SEBI (LODR), Regulations, 2015, as applicable to the Company. Given below are the Company's Corporate Governance policies and practices for 2019-20 and the Company has complied with all the statutory and regulatory requirements as stipulated in the applicable laws.

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

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

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

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were mandated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

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

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

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

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

The Composition of the Board of Directors of the Company is in compliance with the Companies Act, 2013 read with Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. The Board of Directors of your Company comprises of Six Directors as on 31st March, 2020.

The composition of the Board and category of each Director along with their shareholding in the Company as at 31st March, 2020, is as follows:

**NARBADA GEMS AND JEWELLERY LIMITED**

Name	Designation	Date of Appointment at current designation	Category	No. of Equity shares held in the Company
Mr. Sanjay Kumar Sanghi	Managing Director	28.08.2017	Promoter-Executive	16,89,434
Mr. Ritesh Kumar Sanghi	Director	29.06.2007	Promoter-Non-Executive	16,88,499
Ms. Bhavna Sanghi	Director	14.05.2014	Promoter- Non-Executive	9,19,200
Mr. Praveen Kumar Agarwal	Director	13.08.2019	Independent – Non-Executive	--
Mr. Ram Prasad Vempati	Director	28.09.2019	Independent – Non-Executive	--
Mr. Siddharth Goel	Director	28.09.2019	Independent –Non-Executive	--

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

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

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

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

Name of Director	No. of Directorships	Member/Chairperson of Committee*	
		Member	Chairperson
Mr. Sanjay Kumar Sanghi	4	-	-
Mr. Ritesh Kumar Sanghi	5	-	-
Mr. Praveen Kumar Agarwal	1	4	0
Mr. Ram Prasad Vempati	3	4	2
Mr. Siddharth Goel	1	2	1
Mrs. Bhavna Sanghi	2	-	-

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

**3. Board Meetings:**

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

During the Financial Year ended 31st March, 2020, Five Board Meetings were held on 15th May, 2019, 30th May, 2019, 13th August, 2019, 14th November, 2019, 12th February, 2020. The attendance of each director at the Board Meetings and last Annual General Meeting is as follows:

Sl. No.	Name of Director	Board Meeting		AGM held on 27th September, 2019
		Held	Attended	
01	Mr. Ritesh Kumar Sanghi	5	3	Present
02	Mr. Sanjay Kumar Sanghi	5	5	Present
03	Mrs. Bhavna Sanghi	5	5	Not Present
04	Mr. Ram Prasad Vempati	5	5	Present
05	Mr. Siddharth Goel	5	5	Present
06	Mr. Vinod Agarwal	4	1	Not Present
07	Mr. Praveen Kumar Agarwal	2	1	Present
08	Mr. Tejas Sanghi	1	1	Present

#### 4. Independent Directors

The Independent Directors on Board of the Company are non-executive directors and follow the criteria as defined under Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013.

The Independent Directors met on 24th January, 2020 in accordance with Regulation 25(3) of the SEBI Listing Regulations and discussed the

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

The familiarization programme for the new and continuing Independent Directors of the Company ensures that they understand the Company's business in depth and that would facilitate their active participation in managing the Company. The details of the familiarization programme are available on the Company's website at <http://www.narbadajewellery.com/investors/downloads>

#### III. COMMITTEES OF THE BOARD:

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

## 1. Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. There are Three members in the Audit Committee all of them being Independent Directors. The Committee oversees the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible. It also reviews the annual financial statements, auditor's report thereon, quarterly financial results and monitors the auditor's independence and performance and effectiveness of audit process and other roles in accordance with Part C of Schedule II of the SEBI Listing Regulations.

During the Financial Year 2019-20, the Committee met Four times on 30th May, 2019, 13th August, 2019, 14th November, 2019, and 12th February, 2020 in accordance with Regulation 18(2) of SEBI Listing Regulations. The composition of the Audit Committee and details of meetings attended by its members are as under:

S No.	Name of the Director	Category	Number of meetings during the FY 2019-20	
			Held	Attended
1.	Mr. Ramprasad Vempati- (Chairman)	Independent, Non- Executive	4	4
2.	Mr. Siddharth Goel	Independent, Non- Executive	4	4
3.	Mr. Vinod Agarwal	Independent, Non-Executive	3	1
4.	Mr. Praveen Kumar Agarwal	Independent, Non- Executive	1	1

**Note:** During the year Mr. Vinod Agarwal (DIN: 00914894) has resigned from the post of Independent Director of the Company w.e.f. 14th November, 2019. Mr. Praveen Kumar Agarwal (DIN:02012257) has been appointed as Independent Director of the Company w.e.f.13.08.2019 and he was included in the committee w.e.f 14.11.2019.

## 2. Nomination and Remuneration Committee

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

During the Financial Year 2019-20 the Committee met once on 12th August, 2019 in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the Nomination and Remuneration Committee and details of meetings attended by its members are as under:

S No.	Name of the Director	Category	Number of meetings during the FY 2019-20	
			Held	Attended
1.	Mr. Praveen Kumar Agarwal (Chairman)*	Independent, Non- Executive	-	-
2.	Mr. Ramprasad Vempati	Independent, Non- Executive	1	1
3.	Mr. Siddharth Goel	Independent, Non- Executive	1	1
4.	Mr. Vinod Agarwal*	Independent, Non- Executive	1	0

**Note:** During the year Mr. Vinod Agarwal (DIN: 00914894) has resigned from the post of Independent Director of the Company w.e.f. 14th November, 2019. Mr. Praveen Kumar Agarwal (DIN:02012257) has been appointed as Independent Director of the Company w.e.f.13.08.2019 and he was included in the committee w.e.f 14.11.2019.

### 3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations. There are three members in the Stakeholders' Relationship Committee all of them being Independent Directors. The roles and responsibilities of the Committee are in accordance with the requirements as specified in accordance with Para B of Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

During the Financial Year 2019-20, the meetings of the Stakeholders' Relationship Committee were held on 10.04.2019, 20.05.2019, 30.05.2019, 20.06.2019, 29.06.2019, 20.07.2019, 31.10.2019, and 30.12.2019, in accordance with Regulation 19 of SEBI Listing Regulations. The composition of the committee and details of meetings attended by its members are as under;

S No.	Name of the Director	Category	Number of meetings during the FY 2019-20	
			Held	Attended
1.	Mr. Siddharth Goel (Chairman)	Independent, Non- Executive	8	8
2.	Mr. Ramprasad Vempati	Independent, Non- Executive	8	8
3.	Mr. Vinod Agarwal	Independent, Non-Executive	7	1
3.	Mr. Praveen Kumar Agarwal	Independent, Non- Executive	1	1

**Note:** During the year Mr. Vinod Agarwal (DIN: 00914894) has resigned from the post of Independent Director of the Company w.e.f. 14th November, 2019. Mr. Praveen Kumar Agarwal (DIN:02012257) has been appointed as Independent Director of the Company w.e.f.13.08.2019 and he was included in the committee w.e.f 14.11.2019.

**IV. ANNUAL GENERAL MEETINGS:**

**1. Details of last three Annual General Meetings held by the Company**

<b>Financial Year</b>	<b>Venue</b>	<b>Date / Time</b>
2016-17	Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001	16th November, 2017 at 12:30 P.M.
2017-18	Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001	29th September, 2018 at 10:00 A.M.
2018-19	Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad- 500001	27th September, 2019 at 11:00 A.M.

**V. MEANS OF COMMUNICATION:**

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

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

**VI. GENERAL SHAREHOLDER INFORMATION:**

**1. Annual General Meeting for the Financial Year 2019-20**

Date	Friday, the 11th December, 2020
Time	12:00 P.M.
Venue	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
Book Closure Date	7th December 2020 to 11th December, 2020 ( both days inclusive)
Dividend Payment date	No dividend has been recommended

**2. Financial Year:-**

The Company follows April-March as the Financial Year. The Board meeting calendar of the Financial Year ended 31st March, 2021 for approval of quarterly financial results is as follows:

Results for the quarter ending June 30, 2020	: last week of August, 2020
Results for the quarter ending September 30, 2020	: Second week of November, 2020
Results for the quarter ending December 31, 2020	: Second week of February, 2021
Results for the quarter and year ending March 31, 2021	: Last week of May, 2021

### 3. Listing Details

Name and Address of Stock Exchange	Stock Code
BSE Limited	519455
ISIN of the Company	INE540C01021

The Annual Listing fee for the Financial Year 2020-21 has been duly paid to the BSE Ltd.

### 4. Market Price Data

The Equity shares of the Company are listed at BSE Limited. The market price data of the shares of the Company traded during each month for the financial year ended 31st March, 2020 at Bombay Stock Exchange (BSE Limited) is as under:

Month	High (Price in Rs.)	Low (Price in Rs.)	Volume
April, 2019	78	58.05	40918
May, 2019	73.85	58	15249
June, 2019	68.5	47.95	12130
July, 2019	59.8	44	2246
August, 2019	59.8	51.4	47313
September, 2019	59.85	52.25	4992
October, 2019	57	47.75	59680
November, 2019	47.75	35	366
December, 2019	36.25	25	2418
January, 2020	24	18.1	3826
February, 2020	19.5	17	405
March, 2020	17	13.9	210

### 5. Market performance of the Company during the Financial Year 2019-20





**6. Registrar and Share Transfer Agent**

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

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

**7. Share Transfer System**

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

**8. Distribution of Shareholding as at 31st March, 2020**

<b>Category ( No. of shares)</b>	<b>Number of holders</b>	<b>% of total holders</b>	<b>Number of shares</b>	<b>% of total shares</b>
Upto 500	4942	91.48	839151	6.96
501- 1000	280	5.18	183999	1.53
1001- 2000	95	1.76	126492	1.05
2001- 3000	20	0.37	48762	0.40
3001- 4000	3	0.06	10930	0.09
4001-5000	6	0.11	27496	0.23
5001- 10000	15	0.28	115392	0.96
10001 and above	41	0.76	10705088	88.79
<b>Total</b>	<b>5402</b>	<b>100</b>	<b>12057310</b>	<b>100.000</b>

**9. Dematerialization of Shares and Liquidity:**

The Company's shares are available for trading in both "National Securities Depository Limited" and "Central Depository Services (India) Limited". As on 31st March, 2020, 92.68% of the total issued Equity shares representing 1,20,57,310, Equity shares are held in dematerialized form. As on 31st March, 2020, the total issued Equity shares is 1,20,57,310, including 21,14,900 Equity shares of Rs. 10/- each issued on 15th May, 2019 upon conversion of warrants issued under Preferential Issue. The processing activities with respect to the requests received for dematerialization are generally completed within 21 days from the date of receipt of request.

**10. Outstanding Global depository receipts or American depository receipts or warrants or convertible instruments:- NIL**

11. Address for correspondence  
Registered Office: 3-6-291/4/B, 2nd Floor,  
Hyderguda, Hyderabad- 500 029.  
Email:-comsec@narbadajewellery.com

## **VII. OTHER DISCLOSURES**

### **1. Disclosure on materially significant related party transactions**

During the Financial Year 2019-20, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. All Related Party transactions entered during the year were in ordinary course of the business and on Arm's Length basis. In accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website at <http://www.narbadajewellery.com/investors/downloads>. The said policy defines the materiality of related party transactions and lays down the procedures of dealing with Related Party transactions.

All Related Party transactions are placed before the Board of Directors and the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

### **2. Details of non-compliance by the Company**

There were NIL non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market, during the last three years.

### **3. Establishment of vigil mechanism and whistle blower policy**

In accordance with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. It also provides for adequate safeguards against victimization of Directors and employees who avail the mechanism. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Whistle Blower Policy is available on the website of the Company at [www.narbadajewellery.com](http://www.narbadajewellery.com).

### **4. Details of compliance with Mandatory requirements**

During the financial year 2019-20, the Company has complied with all mandatory requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **5. Affirmation and Disclosure**

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2020 and a declaration to that effect, signed by the Managing Director is attached and forms part of this Report.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations, to the extent applicable to the Company.

**DECLARATION REGARDING CODE OF CONDUCT:**

To the Shareholders,

I hereby declare that in terms of Regulation 26(3) of the SEBI Listing Regulations, all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company as on 31st March, 2020.

Date: 13.11.2020

Place: 3-6-291/4/B, 2ndFloor, Hyderguda,  
Hyderabad- 500 029.

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

**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, 2ndFloor,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 ScheduleV Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations,2015 as amended.

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

S.No.	Name of Director	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 (Reappointed on 28.09.2019)
5.	Siddharth Goel	Director	03022978	23.09.2014 (Reappointed on 28.09.2019)
6.	Praveen Kumar Agarwal*	Director	02012257	13.08.2019

• Mr. Praveen Kumar Agarwal has resigned on 11.08.2020.

Note: Mr. Sunil Garg has been appointed as Additional/ Independent Director wef 27.08.2020.

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

Place: Hyderabad

Date: 09.11.2020

**AJAY SUMAN SHRIVASTAVA**

Practicing Company Secretary

FCS No. 3489 CP No. 3479

UDIN: F003489B001190983

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The gems and jewellery sector plays a significant role in the Indian economy, contributing around 7 per cent to country's GDP and 15 per cent to India's total merchandise export. It employs over 4.64 million people, which is expected to reach 8.23 million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government declared gems and jewellery sector as a focus area for export promotion. The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote 'Brand India' in the international market.

India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by Government policies. Moreover, India exports 75 per cent of the world's polished diamonds as per statistics from the Gem and Jewellery Export Promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). Government has viewed this sector as a thrust area for export promotion. The Indian Government presently allows 100 per cent Foreign Direct Investment (FDI) in the sector through the automatic route. The sector employs over 4.64 million employees, which is expected to touch 8.23 million by 2022.

### MARKET SIZE:

India's gems and jewellery sector is one of the largest in the world, contributing 29 per cent to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. Its market size will grow by US\$ 103.06 billion during 2019-2023.

India's demand for gold reached 690.4 tonnes in 2019. India's gems and jewellery export stood at US\$ 29.01 billion in FY20. During the same period, India exported US\$ 18.66 billion worth of cut and polished diamonds, thereby contributing 64 per cent of the total gems and jewellery export.

India's import of gems and jewellery stood at US\$ 24.01 billion in FY20P.

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to country's foreign reserves. The Goods and Services Tax (GST) will steer India's gold demand going forward.

### INVESTMENTS/DEVELOPMENTS:

The Gems and Jewellery sector is witnessing changes in consumer preferences due to adoption of western lifestyle. Consumers are demanding new designs and varieties in jewellery, and branded jewelers are able to fulfill their changing demands better than the local unorganized players. Moreover, increase in per capita income has led to an increase in sales of jewellery, as jewellery is a status symbol in India.

The cumulative Foreign Direct Investment (FDI) inflows in diamond and gold ornaments in the period April 2000 – March 2020 were US\$ 1.17 billion, according to Department for Promotion of Industry and Internal Trade (DPIIT).

**GOVERNMENT INITIATIVES:**

- A. Indian Government made hallmarking mandatory for Gold Jewellery and Artefacts. A period of one year is provided for implementation i.e. till January 2021.
- B. As per Union Budget 2019-20, the GST rate was reduced from 18 per cent to 5 per cent (5 per cent without Input Tax Credit (ITC)) for services by way of job work in relation to gems and jewellery, leather goods, textiles etc.
- C. 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.
- D. Gold Monetisation Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.

**ROAD AHEAD:**

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.

**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.

**CHALLENGES FACED BY THE INDUSTRY:**

The industry faces certain fundamental and regulatory challenges which limit achievement of its full potential. These challenges analysed in the study are:

Indigenous availability of raw material plays a crucial role in the growth of any industry. However, the Indian gems and jewellery industry is almost completely dependent on imported raw materials such



as gold, diamond and other precious and semi-precious stones, with India importing almost 90% of its requirements. Limited recycling and inefficient mining of gold are the main reasons for low domestic supply of gold.

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

Considering the low wages in this industry, it is no surprise that young workers are not attracted towards it.

In the last few years the rupee has been highly volatile against the dollar. A stable currency is necessary for developing countries, for smooth economic development and foreign inflows. Hence, it is important for the gems and jewellery industry as well, particularly considering its dependence on imports and exports. It will also help boost exports and maintain cost competitiveness in the international market

#### **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. The Company faces the fast changes in tastes and fashion for customers.
- (b) **Compliance risk:** Those risks associated with the need to comply with Government Laws and regulations. They also apply to the need to act in a manner which stakeholders and customers expect. The Company being into manufacturing is clouded with much compliance for its operations and has been meticulous in its compliance regime.
- (c) **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. Being in jewellery line, the risks of theft and loss is always looming large.
- (e) **Environmental risk:** Those associated with release of polluting materials, environmental performance/ compliance limits, business opportunities and breach of regulations. Regardless of the type of sector, protest regarding environment protection globally has made every sector and individual to pledge themselves to reduce wastes and to protect the environment. Adhering to the environmental values can bring more respect to the Company in the market and the Company is at forefront on the same.

#### **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 with better firewall.



- 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.
- Well-defined processes for formulating and reviewing annual and long term business plans.

**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.

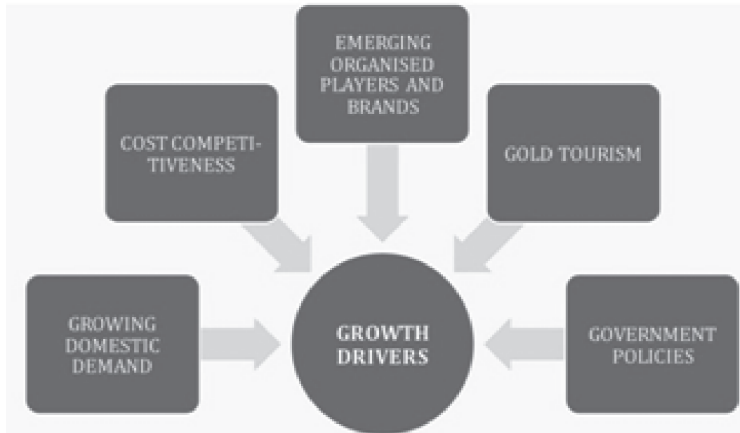
With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels motivating them to face the hard facts of business, inculcating the attitude for 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.

**GROWTH DRIVERS:**

The drivers of growth in the gems and jewellery industry analyzed in the study are listed below:

1. The demand for jewellery in India is unique and to some extent inelastic to price. Part of the relative inelasticity of gold demand to price is explained by its religious and cultural significance, which is purchased for ornamentation and gifting purposes, both of which are deeply ingrained in the Indian cultural psychology. Growing domestic demand is a factor of:
  - Growing spending power;
  - Role of jewellery in weddings; and
  - Gold as an investment
2. Better designs, new ranges and innovative marketing are the factors contributing to the growth of the organized sector. Modern ways of segmentation, targeting consumer segments with specific designs and exclusive ranges and new usage styles attract a new set of consumers



and create new markets. Thus it is very important to sustain momentum in this direction and focus on consumer research & innovation in design.

3. Government rules and policy interventions are pivotal to the growth of the industry. The Indian Government is taking all possible initiatives for this industry. These include the proposed Gold Monetization Scheme, development of special economic zones, etc

#### **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 products.
3. Low margin products
4. Limited line of business is the bottleneck to exploit untapped markets.

5. Frequent change 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
4. Penetration of large corporate jewellery traders cutting down margins.
5. Macro-economic factors such as Rupee fluctuations, enactment of new laws such as GST, KYC norms and global demand
6. Recession affects the industry growth in general.
7. Acute shortage of skilled labour increases the production cost significantly.
8. Highly fluctuating gold price movement acts as a damper
9. 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 a turnover of Rs. 5543.46 Lakhs against Rs. 4057.20 Lakhs during previous year registering a growth of 36.63% over the previous year. The Company reported a Net Profit of Rs. 243.35 Lakhs as against Rs. 143.99Lakhs earned during previous year registering a growth of 69.00%.

**FINANCIAL SYNOPSIS OF THE COMPANY:**

**Share Capital:**

The Share Capital of your Company is Rs. 12,05,73,100/- divided into 1,20,57,310 Equity shares of Rs. 10/- each with Voting Right.

During the year under review, the Company has allotted 21,14,900 new Equity shares upon conversion of warrants issued under Preferential Issue.

**Secured Loans:**

Secured Loan is Rs. 1000.79Lakhs during the financial year 2019-20.

**Fixed Assets:**

Fixed Assets (Net Block) is Rs. 94.05Lakhs during the financial year 2019-20.

**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.

**Certificate on Compliance with the Provisions of Corporate governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.**

To,  
The Board of Directors,  
**Narbada Gems and Jewellery Limited**  
3-6-291/4/3, 2ndFloor,  
Hyderguda, Hyderabad-500029.

I have examined the records of **Narbada Gems and Jewellery Limited**, Hyderabad for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C,D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 listing Regulations) as amended, after the same became applicable to the Company due to increase in Paid Up Capital, with BSE Limited for the financial year ended 31st March, 2020 as made available remotely. I have obtained the required information which is to the best of my knowledge belief were necessary for the purpose of certification

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

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

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

Place: Hyderabad  
Date: 12.11.2020

**AJAY SUMAN SHRIVASATAVA**  
Practicing Company Secretary  
Membership No: 3489  
PCS: 3479  
UDIN: F003489B001221266

**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, 2020 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 Anant Rao & Mallik, 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: 13.11.2020  
Place: Hyderabad

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

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

## **INDEPENDENT AUDITOR’S REPORT**

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

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

#### **Opinion**

We have audited the standalone Ind AS financial statements of NARBADA GEMS AND JEWELLERY LIMITED (“the Company”), which comprises the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as “ Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key Audit Matters</b>	<b>Auditor’s response</b>
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	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

<p>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 judgments 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>of the new revenue accounting standard involves certain key judgments 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>
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**Other information**

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including



the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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

- 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. 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.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

**For D.V. ADITYA & CO,**  
**CHARTERED ACCOUNTANTS,**  
FRN: 000044S

Sd/-  
**(D.V.ADITYA)**

Proprietor

Membership No. 022646

UDIN: 20022646AAAAAM7052

Place: Hyderabad  
Date: 30.07.2020

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

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2020, we report that:

**i. In respect of its fixed assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified during the year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

**ii. In respect of Inventories:**

- (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 was 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 given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

- v. The Company has not accepted any deposits, within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. In our opinion and according to the information and explanations given to us, the Company is not required to maintain Cost records under Central Government under sub-section (1) of the section 148 of the Act.
- vii. In respect of statutory dues:
- a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and service tax, duty of customs, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, Goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Value added Tax, Customs Duty or Cess outstanding on account of any disputes.
- viii. According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in the repayment of loans along with interest to the Banks.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- 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. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has issued 21,14,900 Equity Shares of Rs. 10 each on private placement basis. The company has complies with section 42 of the Companies Act, 2013. These shares 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. Requirement of registration if any under section 45-IA of Reserve Bank of India Act, 1934 are dealt at Central Office.

**For D.V. ADITYA & CO,**  
**CHARTERED ACCOUNTANTS,**  
FRN: 000044S

Sd/-  
**(D.V.ADITYA)**

Proprietor  
Membership No. 022646

UDIN: 20022646AAAAAM7052

Place: Hyderabad  
Date: 30.07.2020

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

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

We have audited the internal financial controls over financial reporting of M/s. NARBADA GEMS AND JEWELLERY LIMITED ("the Company") as of 31 March 2020 in conjunction with our audit of Ind AS financial statements of the Company for the year ended on that date.

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

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

### **Auditors' Responsibility**

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

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

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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)**

Place: Hyderabad  
Date: 30.07.2020

Proprietor  
Membership No. 022646  
UDIN: 20022646AAAAAM7052



**NARBADA GEMS AND JEWELLERY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2020**

*(Rs. in lakhs)*

Particulars	Note No.	31st March, 2020	31st March, 2019
<b>A Assets</b>			
<b>1 Non-Current assets</b>			
(a) Property, Plant & Equipment	1	94.05	104.16
(b) Financial assets			
(i) Others (Non current financial assets)	2	7.66	7.57
(c) Deferred tax Asset (net)	3	-	-
(d) Other non-current assets	4	3.78	5.04
<b>Total Non - Current Assets</b>		<b>105.50</b>	<b>116.77</b>
<b>2 Current assets</b>			
(a) Inventories	5	1,704.72	1,477.61
(b) Financial assets			
(i) Trade receivables	6	1,275.15	872.18
(ii) Cash & Cash Equivalents	7	3.94	8.41
(iii) Others(Curent financial assets)		-	-
(c) Current tax assets (net)		-	-
(d) Other Current assets	8	75.15	72.95
<b>Total Current Assets</b>		<b>3,058.96</b>	<b>2,431.15</b>
<b>Total Assets</b>		<b>3,164.46</b>	<b>2,547.92</b>
<b>B Equity &amp; Liabilities</b>			
<b>1 Equity</b>			
(a) Equity share capital	9	1,208.41	996.92
(b) Other Equity	10	795.90	565.76
<b>Total Equity</b>		<b>2,004.30</b>	<b>1,562.68</b>
<b>2 Liabilities</b>			
<b>Non-Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	16.41	46.05
(b) Deferred tax liabilities (net)	12	1.73	1.05
<b>Total Non-Current Liabilities</b>		<b>18.14</b>	<b>47.10</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	984.38	827.57
(ii) Trade payables	14		
(a) Total outstanding dues of micro and small enterprise		-	-
(b) Total outstanding dues of creditors other than micro and small enterprise		131.85	84.57
(b) Other current liabilities	15	19.79	19.74
(c) Current tax liabilities (net)	16	5.99	6.26
<b>Total Current Liabilities</b>		<b>1,142.01</b>	<b>938.14</b>
<b>Total Equity and Liabilities</b>		<b>3,164.46</b>	<b>2,547.92</b>

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

( D.V.ADITYA )  
Proprietor  
Membership No.022646

Hyderabad  
Date: 30.07.2020

For Narbada Gems and Jewellery Ltd

Sd/-  
Sanjay Kumar Sanghi  
Managing Director  
DIN: 00629693

Sd/-  
Ritesh Kumar Sanghi  
Director  
DIN: 00628033

Sd/-  
Bajranglal Agarwal  
Chief Financial Officer

**NARBADA GEMS AND JEWELLERY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2020** (Rs. in lakhs)

Particulars	Note No.	31st March, 2020	31st March, 2019
Revenue from operations	17	5,543.46	4,057.20
Other income	18	8.34	12.56
<b>Total Revenue (I)</b>		<b>5,551.81</b>	<b>4,069.76</b>
<b>Expenses:</b>			
Cost of materials consumed	19	5,135.50	4,525.03
Changes in inventories	20	(227.11)	(871.93)
Employee benefits expense	21	149.87	118.40
Finance costs	22	75.04	25.00
Depreciation	1	15.02	7.42
Other expenses	23	76.34	65.65
<b>Total Expenses (II)</b>		<b>5,224.66</b>	<b>3,869.57</b>
<b>Profit before tax and exceptional items (I-II)</b>		<b>327.15</b>	<b>200.19</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>327.15</b>	<b>200.19</b>
<b>Tax expense:</b>			
Current tax		83.11	55.00
Deferred tax		0.68	1.19
<b>Profit after tax</b>		<b>243.35</b>	<b>143.99</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss (net of tax)		-	-
B (i) Items that will be reclassified to items that will be reclassified to profit or loss		-	-
<b>Total Comprehensive Income after tax</b>		<b>243.35</b>	<b>143.99</b>
<b>Earnings per equity share:</b>	<b>24</b>		
Basic		2.06	1.60
Diluted		2.03	1.31
Accounting Policies	25		

Our Report attached,  
For D.V.ADITYA & CO.,  
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Sd/-  
Bajranglal Agarwal  
Chief Financial Officer

**NARBADA GEMS AND JEWELLERY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2020** (Rs. in lakhs)

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>A. Cash flows from Operating Activities</b>		
Net Profit before tax	327.15	200.19
<b>Adjustments for:</b>		
Depreciation	15.02	7.42
Finance Cost	75.04	25.00
<b>Operating profit before working capital changes</b>	<b>417.21</b>	<b>232.61</b>
<b>Working capital changes:</b>		
(Increase) / Decrease in Inventories	-227.11	-871.93
(Increase) / Decrease in Trade Receivables	-402.98	67.74
(Increase) / Decrease in Other Financial assets	-0.10	-2.10
(Increase) / Decrease in Non current Assets	1.26	1.26
(Increase) / Decrease in Other current assets	-2.19	-59.05
Increase / (Decrease) in Current Liabilities & Provisions	47.28	-88.52
Increase / (Decrease) in Other current liabilities	0.06	3.22
<b>Cash Generated from Operations</b>	<b>-166.57</b>	<b>-716.77</b>
Direct Taxes	-83.38	-58.83
<b>Net Cash Flow from Operating Activities</b>	<b>-249.96</b>	<b>-775.60</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-4.91	-101.92
<b>Net Cash used in investing Activities</b>	<b>-4.91</b>	<b>-101.92</b>
<b>C. Cash flows from Financing Activities</b>		
Finance Cost	-75.04	-25.00
Increase / (Decrease) in Borrowings	127.16	724.75
Issue of share warrants	198.27	180.98
<b>Net Cash used in Financing Activities</b>	<b>250.39</b>	<b>880.72</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>-4.48</b>	<b>3.20</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>8.41</b>	<b>5.21</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>3.94</b>	<b>8.41</b>

**Notes:**

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

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

**( D.V.ADITYA)  
Proprietor  
Membership No.022646**

**Hyderabad  
Date: 30.07.2020**

**For Narbada Gems and Jewellery Ltd**

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

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

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

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

Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2019	Additions during the Year	Sales/ Adjustments during the Year	As at 31.03.2020	As at 01.04.2019	For the Year	Sales/ Adjustments during the Year	As at 31.03.2020	As at 31.03.2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer	1.08	-	-	1.08	0.45	0.15	-	0.60	0.48
Office equipment	7.83	1.45	-	9.28	1.61	1.68	-	3.30	5.98
Furniture & Fixtures	8.22	-	-	8.22	0.87	0.85	-	1.72	6.50
Plant & Machinery	7.82	2.67	-	10.50	0.52	0.64	-	1.16	9.34
Vehicles	89.95	0.79	-	90.74	7.29	11.70	-	18.99	71.75
<b>TOTAL</b>	<b>114.91</b>	<b>4.91</b>	<b>0.00</b>	<b>119.82</b>	<b>10.74</b>	<b>15.02</b>	<b>0.00</b>	<b>25.77</b>	<b>94.05</b>
(Previous year)	12.99	101.92	0.00	114.91	3.32	7.42	0.00	10.74	104.16

**Note: 2 Other Financial Assets**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Unsecured Considered good Deposits(others)	7.66	7.57
<b>Total</b>	<b>7.66</b>	<b>7.57</b>

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

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
<b>Deferred tax liabilities</b>		
Opening Balance	-	0.14
Less: During the year		(0.14)
Less: IND AS Adjustments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note:4 Other non-current assets**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Other Assets	3.78	5.04
<b>Total</b>	<b>3.78</b>	<b>5.04</b>

**Note:5 Inventories**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Raw materials	-	-
Work-in-progress	433.02	703.68
Finished goods	1,271.70	773.93
<b>Total</b>	<b>1,704.72</b>	<b>1,477.61</b>

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

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
a) Considered Good - Secured	-	-
b) Considered good - Unsecured	1275.15	872.18
c) Which have significant increase in Credit Risk	-	-
d) Credit impaired	-	-
<b>Total</b>	<b>1,275.15</b>	<b>872.18</b>

**NARBADA GEMS AND JEWELLERY LIMITED**

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

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Cash & Cash equivalents:		
Cash on hand	1.72	4.12
Balances with banks in current accounts	2.21	4.30
<b>Total</b>	<b>3.94</b>	<b>8.41</b>

**Note:8 Other Current assets**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
VAT Receivable	-	-
GST Receivable	11.72	35.68
Other Advances	63.43	37.28
<b>Total</b>	<b>75.15</b>	<b>72.95</b>

**Note 9: Share Capital**

Particulars	31.03.2020
<b>Authorized share capital</b>	
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
<b>Issued,Subscribed and Paid up capital</b>	
(a) 99,42,410 Equity shares of Rs.10 Each,Fully paid up	994.24
(b) 64,200 Equity Shares - Share Forfeited Account	2.68
<b>Changes during the year:</b>	
21,14,900 Equity shares of Rs.10 each	211.49
<b>Total 1,20,57,310 equity shares outstanding as on 31.03.2020</b>	<b>1,208.41</b>

**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, 2019	174.42	325.25	-	66.09	565.76
Adjustments:-					
Amount received for warrant conversion	-	-	-	198.27	198.27
Conversion of share warrants into Equity shares	52.87	-	-	(264.36)	(211.49)
Total comprehensive income	-	243.35	-	-	243.35
<b>Closing Balance as at 31st March, 2020</b>	<b>227.29</b>	<b>568.61</b>	<b>-</b>	<b>-</b>	<b>795.90</b>

**Note:11 Borrowings (Financial liabilities)**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Secured Loans:		
Vehicle Loan	16.41	46.05
<b>Total</b>	<b>16.41</b>	<b>46.05</b>

**Note:12 Deferred tax liabilities (Net)**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
<b>Deferred tax liabilities</b>		
Opening Balance	1.05	-
Less: During the year	0.68	1.05
Less: IND AS Adjustments	-	-
<b>Total</b>	<b>1.73</b>	<b>1.05</b>

**Note:13 Borrowings (Financial liabilities)**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Secured Loans:		
Working capital loan(CC)	956.41	805.10
Vehicle Loan	27.97	22.47
<b>Total</b>	<b>984.38</b>	<b>827.57</b>

**Note:14 Trade payables (Financial liabilities)**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Trade Payables		
(a) Total outstanding dues of micro and small enterprise	-	-
(b) Total outstanding dues of creditors other than micro and small enterprise	131.85	84.57
<b>Total</b>	<b>131.85</b>	<b>84.57</b>

**Note:15 Other Current liabilities**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Others	19.79	19.74
<b>Total</b>	<b>19.79</b>	<b>19.74</b>

**Note:16 Current tax liabilities (net)**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Provision for income tax	5.99	6.26
<b>Total</b>	<b>5.99</b>	<b>6.26</b>

**Note 17 : Revenue from operations**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Sale of products		
- Domestic Sales	4,928.25	3,512.25
- Export Sales	615.21	544.95
Less: Excise Duty	-	-
<b>Revenue from operations (net)</b>	<b>5,543.46</b>	<b>4,057.20</b>

**Note 18 :Other income**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Other Income	8.34	12.56
	<b>8.34</b>	<b>12.56</b>

**Note 19 : Cost of raw material consumed**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Purchases	5,135.50	4,525.03
	<b>5,135.50</b>	<b>4,525.03</b>

**Note 20 : Changes in inventories**

(Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
<b>Work-in-progress</b>		
Inventory at the beginning of the year	703.68	444.60
Inventory at the closing of the year	(433.02)	(703.68)
	270.66	(259.08)
<b>Finished Goods</b>		
Inventory at the beginning of the year	773.93	161.09
Inventory at the closing of the year	(1,271.70)	(773.93)
	<b>(497.77)</b>	<b>(612.85)</b>
<b>Changes in Inventories</b>	<b>(227.11)</b>	<b>(871.93)</b>



**NARBADA GEMS AND JEWELLERY LIMITED**

**Note 21 : Employee benefits expense**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Salaries, Wages and Bonus	148.19	117.29
Contribution to Provident Fund	0.69	0.52
Contribution to ESI	0.18	0.31
Incentive	0.46	0.27
Staff Welfare	0.36	
	<b>149.87</b>	<b>118.40</b>

**Note 22 : Finance costs**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Bank charges and commission	10.33	10.26
Bank interest	64.72	14.74
	<b>75.04</b>	<b>25.00</b>

**Note 23 : Other expenses**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>As Auditor</b>		
- Statutory Audit	0.50	0.50
- Tax Audit	0.15	0.15
	0.65	0.65
Bank charges and Interest	1.44	5.10
Business Promotion Expenses	2.17	0.59
Travelling & Conveyance	6.91	0.30
Commission	-	0.44
Power and Fuel	6.31	4.87
Repairs and Maintenance		
- Repairs & Maintenance Vehicle	0.68	0.49
- Repairs & Maintenance Others	-	2.69
Rates and Taxes	2.60	3.90
Stores & Consumables	1.86	0.60
Postage, Telegrams & Telephones	6.10	7.34
Printing & Stationery	2.05	1.83
Insurance	2.65	1.16
Advertisement and publicity	1.67	1.89
Jobwork charges	9.90	2.22
Legal and professional fee	13.61	12.53
Rent	8.82	12.55
Membership fee	0.51	0.16
Security services	4.22	3.60
Other Expenses	4.20	2.73
	<b>76.34</b>	<b>65.65</b>

**NARBADA GEMS AND JEWELLERY LIMITED****Note 24 : Earnings per share (EPS)**

(Rs. In Lakhs)

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Profit after tax	243.35	143.99
Weighted average number of equity shares in calculating basic EPS (Nos In Lakhs)	118.03	89.96
Weighted average number of equity shares in calculating diluted EPS (Nos In Lakhs)	120.06	109.60
Basic Earnings per Equity Share	2.06	1.60
Diluted Earnings per Equity Share	2.03	1.31

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

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

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

**26. Accounting Policies under Ind AS:****Significant Accounting Policies under Ind AS:****26.1 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

**26.2 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

**26.3 Revenue Recognition****i) Operating Income**

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

**ii) Other Income**

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

## 26.4 Property, Plant and Equipment's

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

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

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

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

## 26.5 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
<b>A. General Assets</b>	
Furniture & Fittings	10
Office Equipment	5
Vehicles – Scooter	8
Vehicles – Car	8
Computers - Servers and networks	3
Computers – End User Devices	3

**26.6 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 "Weighted Average" basis.

**26.7 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.

**26.8 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.

**26.9 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 recognised 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 assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

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. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**26.10 Impairment**

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**26.11 Earnings per Share**

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.

**26.12 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.

**d) Foreign Currencies Transactions**

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

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

**27. 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.

**28. 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.

**29. Additional information pursuant to Schedule III of the Companies Act, 2013**

Earnings in Foreign Exchange (Rs. In Lakhs)

Particulars	31st March, 2020	31st March, 2019
Export of Goods	615.21	544.95

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

Particulars	31st March, 2020		31st March, 2019	
	Percentage	Value	Percentage	Value
a. Raw Materials				
i. Indigenous	100%	5135.50	100%	4525.03
ii. Imported	0%	NIL	0%	NIL
	<b>100.00</b>	<b>5135.50</b>	<b>100.00</b>	<b>4525.03</b>

**30 Financial Instruments- Fair Values and Risk Management**

**30.1 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.



**NARBADA GEMS AND JEWELLERY LIMITED**

*(Rs. in lakhs as at March 31, 2020)*

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents (Ref Note No. 7)	3.94	-	-	3.94	3.94
Trade Receivable (Ref Note No.6 )	1275.15	-	-	1275.15	1275.15
Other Financial Assets (Ref Note No.2 )	7.66	-	-	7.66	7.66
<b>Liabilities:</b>					
Trade Payable (Ref Note No.14 )	131.85	-	-	131.85	131.85
Borrowings (Ref Note No 11 & 13 )	1000.79	-	-	1000.79	1000.79

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2019:

*(Rs. in lakhs as at March 31, 2019)*

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
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
<b>Liabilities:</b>					
Trade Payable (Ref Note No.14)	84.57	-	-	84.57	84.57
Borrowings (Ref Note No 11 &13)	873.62	-	-	873.62	873.62

### 30.2 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, 2020)**

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Security deposits	-	-	7.66	7.66	-	-
Total financial assets	-	-	7.66	7.66	-	-
Financial Liabilities						
Borrowings	-	-	1000.79	1000.79	-	-
Total financial liabilities	-	-	1000.79	1000.79	-	-

**(Amount in lakhs as at March 31, 2019)**

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and 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	-	-

### 30.3 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**

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

**Foreign Currency Exposure**

**(Amount In Lakhs)**

<b>Particulars</b>	<b>As at 31st March, 2020 USD</b>	<b>As at 31st March, 2019 USD</b>
Trade and Other Receivables	2.46	2.38

**Sensitivity:**

As of March 31, 2020 increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately INR 2.43 (in Lakhs).

**(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 1275.15 and INR 872.18(in lakhs), as of March 31, 2020, March 31, 2019, 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:

**NARBADA GEMS AND JEWELLERY LIMITED****(Amount in Rs lakhs as at 31st March, 2020)**

<b>Particulars</b>	<b>Gross amount</b>	<b>Impairment</b>	<b>Carrying Value</b>
Not past due	-	-	-
Past due less than 30 days	468.31	-	468.31
Past due more than 30 days but not more than 60 days	217.76	-	217.76
Past due more than 60 days but not more than 90 days	370.42	-	370.42
Past due more than 90 days but not more than 120 days	217.14	-	217.14
Past due more than 120 days	1.52	-	1.52
<b>Total</b>	<b>1275.15</b>	<b>-</b>	<b>1275.15</b>

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

<b>Particulars</b>	<b>Gross amount</b>	<b>Impairment</b>	<b>Carrying Value</b>
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
<b>Total</b>	<b>872.18</b>	<b>-</b>	<b>872.18</b>

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

**Financial assets:**

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

**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.

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**NARBADA GEMS AND JEWELLERY LIMITED**

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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 lakhs as of March 31, 2020)**

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	118.85	13.00	-	-	-	131.85
Short term borrowings (cash credit)*	-	956.41	-	-	-	956.41
Long term borrowing	-	-	16.41	-	-	16.41
Current Maturities of long term debts	-	27.97	-	-	-	27.97
Total	118.85	997.38	16.41	-	-	1132.64

**(Amount in Rs 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

**31. 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 till 28.09.2020

**B. Non Executive Directors**

Sri Ritesh Kumar Sanghi

Smt. Bhavana Sanghi

Sri Siddharth Goel- Independent

Sri Ramprasad Vempati- Independent

Sri Praveen Kumar 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 Transaction**

Enterprises in which significant influence by Key Management Personnel (Amount In Rs)

Particulars	31st March, 2020	31st March, 2019
<b>Sanghi Jewellers Pvt Ltd:</b>		
Purchase (Net of returns)	2,02,90,823/-	3,47,19,142/-
Sales (Net of returns)	1,19,23,894/-	2,44,98,558/-
Rent	-	1,31,200/-
Amount Receivable/(Payable) as on	84,16,680/-	7,00,997/-
<b>Uday Jewellery Industries Limited:</b>		
Purchase (Net of returns)	-	4,19,49,725/-
Sales (Net of returns)	24,39,104/-	1,37,52,280/-
Amount Receivable/(Payable) as on	65,150/-	-

**32. 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 in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Earnings used in calculation of basic earnings per share(A)	243.35	143.99
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	118.03	89.96
Basic EPS(A/B)	2.06	1.60

**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 in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Earnings used in calculation of basic earnings per share(A)	243.35	143.99
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	120.06	109.60
Diluted EPS(A/B)	2.03	1.31

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

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, 2020	For the year ended March 31, 2019
Sale of products	554,346,488.48	40,57,19,838.00
Total	554,346,488.48	40,57,19,838.00

**(ii) Contract Balances**

**Receivables**

Particulars	As at March 31,2020	As at March 31,2019
Opening Balance	8,72,17,568.00	9,39,91,221.00
Addition/deduction during the year	4,02,97,765.60	( 67,73,653.00)
Closing Balance	12,75,15,333.60	8,72,17,568.00

**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 as and when the goods are delivered to the customer.

**Practical expedients**

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

**34. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 30-07-2020.

**Our Report attached,**

**For Narbada Gems and Jewellery Ltd**

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

**( D.V.ADITYA)  
Proprietor  
Membership No.022646**

**Hyderabad  
Date: 30.07.2020**

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

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

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





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