



Date: 03.09.2022

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

Re: Submission of Annual Report of the Company for the financial year 2021-22

Ref: Scrip Code: 519455

Dear Sir/ Madam,

Pursuant to Regulations 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith copy of Annual Report for the Financial Year 2021-22.

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

Thanking you,

Yours truly,

For NARBADA GEMS AND JEWELLERY LIMITED


SHIVANI RASTOGI

(Company Secretary & Compliance 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@nabadajewellery.com; Website: www.nabadajewellery.com

Manufacturer, Exporter, Wholesalers, Retailers.

30TH
ANNUAL
REPORT

2021-2022

NARBADA GEMS AND JEWELLERY LIMITED



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BOARD OF DIRECTORS

Shri Sanjay Kumar Sanghi	- Chairperson- Managing Director
Shri Ritesh Kumar Sanghi	- Director
Smt. Bhavna Sanghi	- Director
Shri Siddharth Goel	- Independent Director
Shri Ramprasad Vempati	- Independent Director
Shri Sunil Garg	- Independent Director

OTHER KEY MANAGERIAL PERSONNEL

Mr. Bajranglal Agarwal	- Chief Financial Officer
Mr. Nitin Agarwal	- Company Secretary & Compliance Officer (w.e.f. 28.08.2020 to 30.06.2021)
Ms. Shivani Rastogi	- Company Secretary & Compliance Officer (w.e.f. 01.07.2021)

AUDITORS

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

BANKERS

KOTAK MAHINDRA BANK LIMITED

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the **Thirtieth Annual General Meeting** (“the Meeting” or “AGM”) of **NARBADA GEMS AND JEWELLERY LIMITED** (“the Company”) will be held on **Monday, 26th September, 2022 at 03:00 P.M.** (IST) 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 of the Company for the financial year ended 31st March, 2022, together with the reports of the Board of Directors and Auditors thereon.**
2. **To appoint Director in place of Mr. Ritesh Kumar Sanghi, Director (DIN: 00628033), who retires by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. **To consider and approve re-appointment of Mr. Sanjay Kumar Sanghi as the Managing Director of the Company.**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the rules framed thereunder read with Schedule V of the Act and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other provisions as may be applicable, the consent of the members be and is hereby accorded for the re-appointment of Mr. Sanjay Kumar Sanghi (DIN: 00629693) as the Managing Director of the Company without any remuneration for a period of 5 (five) years, with effect from August 18, 2022.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to decide the terms & conditions of re-appointment without any remuneration including alteration of such terms & conditions as it may deem appropriate in the capacity of Managing Director of the Company during his tenure of 5 years on the recommendations of Nomination & Remuneration Committee of the Company .”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to file the requisite e-forms with the Registrar of Companies, Hyderabad and to do all such acts, deeds and things necessary to give effect to the above resolution.”

- 4. To approve the existing as well as new material Related Party Transactions of the Company, and in this regard, to pass, with or without modifications, the following resolution as Ordinary Resolution:**

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

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, at prevailing market rates and on arm’s length basis.	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	01.10.2022 to 30.09.2023
2.	Uday Jewellery Industries Limited	Company having common directors	Sale/ purchase of various manufactured products, at prevailing market rates and on arm’s length basis	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	From 01.10.2022 to 30.09.2023

“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.”

- 5. To consider and approve the remuneration payable to Mr. Tejas Sanghi, as Head- Business Development, a relative of the Director in Office or Place of Profit.**

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, read with Rule 15(3)(b) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and in accordance with the Company's policy on Related Party transaction(s), approval of the members be and is hereby accorded for the remuneration payable to Mr. Tejas Sanghi as Head-Business Development, being a relative of the Director in Position of Office or Place of Profit on the recommendation of Nomination and remuneration committee."

Remuneration:

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

Consolidated Salary of Rs. 4,50,000 per month bifurcated as under:

- | | | |
|----|-------------------------------------|--------------------|
| a. | Basic Salary: | 1,80,000 per Month |
| b. | Dearness Allowance: | 90,000 per Month |
| c. | House Rent Allowance: | 1,35,000 per Month |
| d. | Special Allowance/Other Allowances: | 45,000 per Month |

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

By order of the Board
Sd/-

Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Date: 18.08.2022
Place: Hyderabad

NOTES:

1. In view of the ongoing situation of COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide its General Circular Nos. 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 respectively, Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio -visual means (OAVM) without the physical presence of the Members. The deemed venue for the AGM will be the registered office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars as aforementioned, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to a least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice.
6. In furtherance of the Green Initiative, Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. Further, the Notice of AGM has been uploaded on the website of the Company at www.narbadajewellery.com. The Notice can also be accessed from the websites of the Stock Exchanges at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com.
7. The Explanatory Statement under Section 102(1) of the Companies Act, 2013 in respect of Item No. 3, 4 & 5 is annexed herewith.

8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:
 - a) **For shares held in electronic form:** to their Depository Participants (DPs)
 - b) **For shares held in physical form:** to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/ MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters through its RTA for furnishing the required details. Members may also refer to link available on Company's website www.narbadajewellery.com
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <http://www.narbadajewellery.com/investors/downloads> and on the website of the Company's Registrar and Transfer Agents, CIL Securities Limited at It may be noted that any service request can be processed only after the folio is KYC Compliant.
10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or CIL Securities Limited, for assistance in this regard.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or CIL Securities Limited, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
12. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website <http://www.narbadajewellery.com/investors/downloads> Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to CIL Securities Limited in case the shares are held in physical form.

13. The Register of Members and Share Transfer Books of the Company will remain closed from 19th September 2022 to 26th September 2022 (both days inclusive) for the purpose of the Annual General Meeting.
14. Shri Ajay Suman Shrivastava, Practicing Company Secretary has been appointed as “Scrutinizer” for the Business mentioned to be conducted by e-voting.
15. The Results of the e-voting will be declared by Director by 28th September, 2022, by 05:00 P.M. at the Registered Office of the Company in Hyderabad and shall be hosted on the website of the Company; www.narbadajewellery.com and on the website of the Stock Exchange; www.bseindia.com.
16. The details pertaining to Director(s) liable to retire by rotation and director(s) proposed to be appointed/ re-appointed as required to be provided pursuant to the Listing Agreement with the Stock Exchange are as follows:

PROFILE OF THE DIRECTOR RETIRING BY ROTATION:

Mr. Ritesh Kumar Sanghi, aged about 51 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 29 years in the Jewellery industry. His shareholding in the Company is 21,76,399 Equity shares representing 12.31% of total share capital of the Company as on 31st March, 2022.

His directorships in other public companies as on 31.03.2022 are:

1. Trisa Retail Limited;
2. Uday Jewellery Industries Limited.

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

17. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
18. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
19. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least

1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

20. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
21. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
22. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.narbadajewellery.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
23. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
24. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

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

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

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

- (i) The voting period begins on **Friday, 23rd September 2022 at 09:00 AM and ends on Sunday, 25th September 2022 at 05:00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **19th September 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/ KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.

	<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in dematmode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p>

Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

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

6) If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Narbada Gems and Jewellery Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; .com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/ RTA email id**.
2. **For Demat shareholders -**, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

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

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

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

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

Item no. 3:

Mr. Sanjay Kumar Sanghi was appointed as Managing Director of the Company for a term of five years with effect from 28th August 2017, after obtaining due approval from the members in the Annual General Meeting held on 16th Day of November 2017. Accordingly, the present term comes to an end on this 30th Annual General Meeting.

The Board in its meeting held on August 18, 2022, has approved the re-appointment of Mr. Sanjay Kumar Sanghi as the Managing Director of the Company for the further period of five years after his current tenure ends. The Board has taken the decision of said re-appointment based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company.

Mr. Sanjay Kumar Sanghi is not disqualified from being re-appointed as a Managing Director in terms of Section 164 of the Companies Act, 2013. He has communicated his consent to act as Managing Director of the Company. He satisfies all the conditions as set out in Section 196(3) of the said Act and Part-1 of the Schedule- V thereof and hence, is eligible for re-appointment.

A brief profile of Mr. Sanjay Kumar Sanghi is provided in the Annexure to the Notice pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting.

In accordance with Section 196 read with Schedule V of the Companies Act, 2013, the appointment and re-appointment of Managing Director shall be approved by the members in the General Meeting. Therefore, your approval is sought in this regard for the said re-appointment.

The Board recommends the resolution as set out in item no. 3 of the notice for approval by the members.

Further, both the Directors Mr. Ritesh Kumar Sanghi and Mrs. Bhavna Sanghi, being relatives of the appointee, are interested or concerned in the said resolution.

Item no. 4:

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

Section 188 of the Companies Act, 2013 ("the Act") and the applicable Rules framed there under read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") provide that material 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.

NARBADA GEMS AND JEWELLERY LIMITED

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 material 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, 2022 to 30th September, 2023.

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:

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, At prevailing market rates and on arm's length basis.	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	01.10.2022 to 30.09.2023
2.	Uday Jewellery Industries Limited	Company having common directors	Sale/ purchase of various manufactured products, At prevailing market rates and on arm's length basis	Rs. 50,00,00,000/- (Rupees Fifty Crores only)	From 01.10.2022 to 30.09.2023

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

The Board of Directors recommends passing of the resolution as set out at item no. 4 of this Notice as an Ordinary Resolution.

Item no. 5:

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

The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting, held on August 18, 2022, had approved remuneration of Mr. Tejas Sanghi as Head-Business Development Head of the Company, subject to the approval of the shareholders by way of an Ordinary Resolution.

Remuneration:

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

Consolidated Salary of Rs. 4,50,000 per month bifurcated as under:

a.	Basic Salary:	1,80,000 per Month
b.	Dearness Allowance:	90,000 per Month
c.	House Rent Allowance:	1,35,000 per Month
d.	Special Allowance/Other Allowances:	45,000 per Month

Mr. Tejas Sanghi is part of the promoter group of the Company as well. Further, he and his relatives are interested in this item of the Business to the extent of their shareholding.

Other than this none of the Directors or KMP or relatives of the Directors, are in any way concerned with or interested financially or otherwise in the resolution at item no. 5 of the accompanying notice.

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

Annexure

Brief profile of Mr. Sanjay Kumar Sanghi, Chairman and Managing Director

Mr. Sanjay Kumar Sanghi aged 55 years, Chairman, Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Commerce Mr. Sanjay Kumar Sanghi, is a commerce graduate and Gemologist with more than 30 years of experience in business of dealing and trading in Gems and Jewellery. He has an immense skill and expertise in sorting and evaluation of diverse range of precious and semi-precious gems used in manufacturing of various colored stone jewellery. His wisdom and business proficiency would be favorable for the Company. He has been instrumental in taking major policy decisions for the Company. He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company.

Profile of Mr. Tejas Sanghi- Head- Business Development

Mr. Tejas Sanghi is 29 years and currently holds the position as Head- Business Development in the Company. He has obtained a BBA Degree from Amity University and has completed specialized courses in Consumer Behaviour & Strategic Management from the London School of Economics. Mr. Tejas is an accomplished gemologist and has completed a professional course on coloured stones from LSE. He has completed the "Family Managed Business" Programme from S.P. Jain Global, Mumbai in 2015-16.

DIRECTORS' REPORT

To
The Members,
NARBADA GEMS AND JEWELLERY LIMITED

It is our pleasure to present the Thirtieth Annual Report along with the Audited Financial Statements of Narbada Gems and Jewellery Limited for the financial year ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS

The highlights of the financial statements of the Company for the financial year ended March 31, 2022, are as under:

(Rs. in Lakhs)

Particulars	31.03.2022	31.03.2021
Revenue from operations	6062.87	3800.47
Other Income	31.10	23.36
Total Revenue	6093.96	3823.83
Expenses	5630.51	3548.34
Profit before Tax	463.46	275.49
Tax Expense		
Current tax	117.67	73.43
Deferred tax	-0.08	-0.92
Profit after Tax	345.87	202.98
Earnings per Equity share	2.15	1.68

2. IMPACT OF COVID-19 ON COMPANY PERFORMANCE:

The Company has lost some days due to Covid related lock down. Due to Covid, the Company lost "Akshaya Tithiya" sales for the year and also lost many of the wedding days that fell in the first quarter of 21-22.

However, the Company is able to meet all the obligations including interest serving and repayments and more over sitting on a high liquidity to see through any other adverse effect of the pandemic in future.

3. COMPANY'S STATE OF AFFAIRS:

The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. The Company witnessed strong demand across its businesses achieving significant revenue uplift and ending the year on a strong note. Revenue from operations was recorded as Rs. 6062.87 Lakhs against Rs. 3800.47 Lakhs during previous year registering increase of 59.53% over the previous year. The Company reported a Net Profit of Rs. 345.87 Lakhs as against Rs. 202.98 Lakhs earned during previous year registering growth of 70.40%.

4. FUTURE PROSPECTS:

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

The Company fulfills the royal aspirations of the brides with exclusive heritage jewellery and also accentuates the feeling of Royalty to people who adorn such jewellery. The Company has newly started 18-karat gold jewelry which offers a good balance between durability and purity. Considering the business dynamics, it is far more popular as it has been mixed with more durable metals to make it in itself far more durable which makes it a very attractive proposition. This will further assist in reaching out to masses and serve public at large thereby help in increasing margin and capture the untouched market.

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

The Company is in the process of setting up additional manufacturing capacity at Basheerbagh, Hyderabad in a premises owned by the promoters for future growth of the Company to cater to growing demand. The new factory will be more technology oriented and shall be a state of art facility with well-planned layout and use of high end tech tools for the designing section. The unit specializes in Gold ornaments studded with flat diamond and color gemstones. The said facility of the Company will be well equipped with state-of-the-art machinery and technology by using Computer Aided Design (CAD and Computer aided model manufacturing (CAM), increasing the overall capacity and enhanced finishing of the products. The management is hopeful that production capacity will be increased to three times.

Further, the Company has been supporting its marquee clientele with product conceptualization and product design services based on first-hand market feedback and research & development (R&D) of its designing and marketing team. The Company is focusing on renowned selected family Jewellers in each City.

At present, the management is the fifth Generation who possesses great experience and immense skills in the field of Gems and Jewellery sector. The products of the Company have received overwhelming response in India International Jewellery Show (IIJS).

Strategizing the Marketing & Business Development:

- a. Business Development Policy: A Business Development Policy is being evolved to cater to ever changing market preferences, but with a focus on growth and how to achieve it. It's a long-term plan that outlines strategies for steady and sustainable business growth over the coming years.

Its scope covers both the marketing and sales functions, as they are interlinked in the Jewellery Industry.

- b. **Customer Acquisition Policy:** Customer acquisition is important for businesses of any age and size. The goal of this process is to create a systematic, sustainable customer who can sell the Company's products in the long term.
- c. The credit policies are kept dynamic based on client profiles to allow credit to the parties which vary from 45- 60 days depending on the retention margin on the products. So, before adding a new customer, a due diligence is done to understand, the credit worthiness of the client.

The Company's marketing team at present is catering to the following category of buyer group like National Chains – Retail Chains having National level presence, Local Chains – Retail Chains having regional/local level presence, Family Jewellers – Well known Family jewellers having 1 or 2 stores, Distributors and Exports

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

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

5. DIVIDEND:

In order to conserve resources for further expansion of the Company's business, your Directors have opined to not recommend dividend for the year 2021-22.

6. RESERVES:

During the period under review, the Board of Directors has decided that Rs. 345.87 Lakhs to be carried forward to the reserves being profit for the year.

7. 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 years.

8. SHARE CAPITAL:

The Authorised Share Capital of your Company is Rs. 21,50,00,000/- divided into 2,15,00,000 Equity shares of Rs. 10/- each as on 31st March, 2022. The total Paid up capital of the Company stands at Rs. 21,15,73,100 divided into 2,11,57,310 Equity shares of Rs. 10 each as on date.

During the period under review, the conversion of 91,00,000 Warrants of Rs. 17 each, convertible into equal Equity shares of Rs. 10 each with premium of Rs. 7 per share has been completed. Out of such warrants, on 30.03.2021 as first tranche, 26,23,000 Equity Shares were allotted to Promoters and Promoter group upon conversion and 5,00,000 Equity Shares were allotted to Non-Promoter/Public upon conversion. Thereafter, 24,94,000 equity Shares were allotted to Promoters/ Non-Promoters on 23.11.2021 and remaining 34,83,000 Equity Shares were allotted on 24.05.2022. Hence, all warrants have been converted and listed at BSE Limited.

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.

9. 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 2021-22 and the Company has duly filed the required returns accordingly.

10. 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.

11. SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES:

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

12. DEPOSITORY SYSTEM:

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) 11.45% and Central Depository Services (I) Ltd. (CDSL). 83.64% of the total shareholding of the Company was held in dematerialized form as on 31st March 2022. Shares held in physical form was 4.91% of the issued Capital.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

Your Board consists of Six Directors including three Independent (Non- Executive Directors). Declaration from all the Independent Directors has been obtained both at the time of appointment and at the First Board meeting of each Financial Year.

Shri Ramprasad Vempati (DIN: 01903161), Shri Siddharth Goel (DIN: 03022978) and Shri Sunil Garg (DIN: 08851283) were the Independent Directors during the Financial Year 2021-22. Further, 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.

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

1. Mr. Sanjay Kumar Sanghi - Managing Director
2. Mr. Bajranglal Agarwal - Chief Financial officer
3. Ms. Shivani Rastogi - Company Secretary and Compliance Officer

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.

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 7th February, 2022 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. 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 in respect of Key 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 2021-22 are as follows:

Name	Designation	Remuneration (in Rs.)		Increase %
		2021-22	2020-21	
Sanjay Kumar Sanghi	Managing Director	-	-	-
Ritesh Kumar Sanghi	Director	-	-	-
Bajranglal Agarwal	Chief Financial Officer	7,21,645	5,27,116	36.90
CS. Nitin Agarwal*	Company Secretary & Compliance Officer	-	1,38,740	-
CS. Shivani Rastogi	Company Secretary & Compliance Officer	2,88,124*	-	-

*For the part of financial year

- c. Details of a fixed component and performance-linked incentives, along with the performance criteria: The Company does not have any performance-linked incentives for the Directors and CFO the appointments are made for a fixed period of time on the terms and conditions in the respective resolution passed by the Board/Members in the Meeting
- d. Number of permanent employees on the rolls of the Company as on 31st March, 2022 are 58.
- e. Stock option details: Nil

16. PARTICULARS OF EMPLOYEES

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

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

17. BOARD COMMITTEES:

The Board has constituted three committees at present:

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

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

18. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual accounts for the year ended 31st March 2022, 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 2022 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

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

20. BOARD EVALUATION:

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

The criteria for performance evaluation of the Board and its Committees amongst others include their structure and composition, processes, information and functioning, terms of reference of the Committees, etc. The criteria for performance evaluation of individual Directors including Executive and Independent Directors amongst others include their attendance and contribution at the meetings, the devotion of time and efforts to understand the Company, its business, their duties and responsibilities, and adherence to the code of conduct, etc. The said policy is available on the website of the Company at www.narbadajewellery.com. The Independent Directors met separately on 7th February 2022 without the presence of Non-Independent Directors to discuss the performance of the Non-Independent Directors and the Board as a whole.

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

21. CODE OF CONDUCT:

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct. The Code is applicable to the members of the Board, the executive officers, the members of the management one level below the executive directors, including all functional heads of the Company. The Code is available on the website of the Company www.narbadajewellery.com. All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2022.

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

During the year, Eight Board Meetings were convened and held. The dates on which the said meetings were held are :29.06.2021, 13.08.2021, 27.08.2021, 21.09.2021, 12.11.2021, 23.11.2021, 17.01.2022 and 07.02.2022. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

23. 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.

24. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

The related party transactions during the year are in accordance with the approval of shareholders in Annual General Meeting held on 29th September, 2021.

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.

25. CORPORATE GOVERNANCE

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

26. 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 2021-22.

27. 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.

28. 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, 2022 under review, there were no cases pertaining to Whistle Blower Policy. The said policy of the Company can be accessed at www.narbadajewellery.com

29. 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

30. 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.

31. 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.

32. 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 and outgo being Outstanding receivable of the Company as on 31st march, 2022 is Rs. 56.77 Lakhs.

33. 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.

34. AUDITORS:**a) Statutory Auditors:**

M/s Anant Rao & Malik, Chartered Accountants, (Firm Reg. No. 006266S, M. No. 022644), Hyderabad were appointed as Statutory Auditors of the Company at the 29th Annual General Meeting of the Company, to hold office till the conclusion of the 33rd Annual General Meeting to be held in the calendar year 2025 for issuing the Audit report on the financial position of the Company. The Statutory Auditors of the Company had issued their Report for the financial year ended 31st March, 2022 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, 2022. Hence, no explanation or comments from the Board under Section 134(3)(f) of the Companies Act, 2013 is required.

b) Secretarial Auditor:

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

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

c) Internal Auditors:

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

35. 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.

36. ANNUAL RETURN:

The Annual Return of the Company as on 31st March, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website www.narbadajewellery.com.

37. COST RECORDS.

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

38. 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.

39. 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.

40. SIGNIFICANT CHANGES OCCURRED DURING THE CURRENT YEAR:

There are no material/significant changes occurred between the end of the financial year 2021-22 and the date of this report which may impact the financial position of the Company.

41. ACKNOWLEDGEMENT:

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, team spirit, cooperation and dedication during the year. Your Directors place on record their sincere thanks to bankers, suppliers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review.

Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on the Company.

For and on behalf of Board of Directors

Date: 18.08.2022
Place: Hyderabad

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

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

ANNEXURE INDEX

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I	Secretarial Audit Report- Form MR-3
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Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

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

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Narbada Gems and Jewellery Limited (L01222TG1992PLC014173)** (hereinafter called "the company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Companies books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, physically and remotely, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (No provisions were attracted during the period under review)
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (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 wrt the Preferential issue of warrants and their conversion into shares, during the audit period, except as stated below,
- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Not Applicable to the Company during the Audit Period.
- (e) Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008 -; Not Applicable to the Company during the Audit Period.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company's shares and dealing with its members;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable to the Company during the Audit Period and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2021; Not Applicable to the Company during the Audit Period.
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended.

2. Compliance of the other Laws applicable specifically to the Company as reported by the Company and test checked.

- i. Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- ii. Professional Tax Act, 1975 and Rules
- iii. Minimum Wages Act, 1948
- iv. Payment of Bonus Act, 1965
- v. Maternity Benefit Act, 1961
- vi. Factories Act, 1948
- vii. The Workmen's Compensation Act, 1923
- viii. The Payment of Wages Act, 1936
- ix. Standard Weights & Measures Act
- x. Bureau of Indian Standard (BIS) (Hallmarking)

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

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

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

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Deviations	Observations/Remarks
1	Regulation 108(2) of SEBI- ICDR – Company is required to make Listing Application within 20 days from the date of allotment of further shares.	Delay in making Application for Listing	BSE levied penalty of Rs. 20,000/- which was paid on 07.08.2021 and Listing Approval was received.

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	BSE Limited	Reg 6(1) of SEBI- LODR, 2015 Penalty Imposed of Rs.1,07,380 (including GST). Penalty Subsequently Revised – Rs.67,260 Penalty paid Rs.67,260 (including GST) as on 04.12.2020 by the Company.	Compliance has been done, though delayed	Satisfactory compliance.

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

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Out of 91,00,000 Warrants, on 30.03.2022 as first tranche, 31,23,000 Equity Shares were allotted to promoters/ Promoter Group and Non- promoters. Further, on 23.11.2022 as second tranche, 24,94,000 Equity Shares were allotted to promoters/ Promoter Group and remaining 34,83,000 Equity Shares issued on 24.05.2022 on conversion of Equity Warrants were listed and trading approval granted by BSE on 23.06.2022. Hence, all warrants issued on 13.01.2021 have been converted and duly listed for trading.

Place: Hyderabad

Date: 18.08.2022

Sd/-

AJAY SUMAN SHRIVASTAVA

FCS No.: 3489

C.P. No.: 3479

UDIN: F003489D000797194

Annexure- 1

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

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

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

Place: Hyderabad
Date: 18.08.2022

Sd/-
AJAY SUMAN SHRIVASTAVA
FCS No.: 3489
C.P. No.: 3479
UDIN: F003489D000797194

ANNEXURE-II

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF
NARBADA GEMS AND JEWELLERY LIMITED FOR THE
FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[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 Ajay Suman Shrivastava, Practicing Company Secretary 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, 2022("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 share warrants were issued and first and second conversion into shares was done on 30.03.2021 and 23.11.2021. Listing and trading permissions obtained for both tranches;

- 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) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;
- j) 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 :-

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Deviations	Observations/Remarks
1	Regulation 108(2) of SEBI- ICDR – Company is required to make Listing Application within 20 days from the date of allotment of further shares.	Delay in making Application for Listing	BSE levied penalty of Rs. 20,000/- which was duly paid on 07.08.2021 and Listing Approval was received.

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination 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:

S. No.	Action taken by	Details of Violation debarment, etc.	Details of action taken Eg. flues, warning letter,	Observation Remarks
1	BSE Limited	Delay in making Application for Listing as per Reg. 108(2) of SEBI- ICDR	BSE levied penalty of Rs. 20,000 on the Company, which was paid. Subsequently, BSE approved the Listing of shares issued in the Preferential issue.	Delay/ Default has been condoned by BSE by way of imposing penalty. No other instances of compliance failure or delayed compliance.

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2021.	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Appointment of Company Secretary and compliance officer	New Company Secretary not appointed during a period in the year 2019-20.	New Company Secretary and compliance officer appointed on 27.08.2020	Delayed compliance.

Place: Hyderabad

Date: 23.05.2022

AJAY SUMAN SHRIVASTAVA

FCS No.: 3489

C.P. No.: 3479

UDIN: F003489D000358173

FORM NO. AOC -2

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

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

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

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

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

Sl.No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<p>i. Sanghi Jewellers Private Limited Company having common directors</p> <p>ii. Uday Jewellery Industries Limited Company having common directors</p> <p>iii. Hanumanthrai Sanghi Relative of Directors</p> <p>iv. Sarala Sanghi Relative of Directors</p> <p>v. Sanjay Kumar Sanghi Managing Director</p> <p>vi. Ritesh Kumar Sanghi Director</p> <p>vii. Bhavna Sanghi Director</p> <p>viii. Pritha Sanghi Relative of Directors</p>

NARBADA GEMS AND JEWELLERY LIMITED

		ix. Uday Sanghi Relative of Directors x. Tejas Sanghi Relative of Directors.
b)	Nature of contracts/ arrangements/transaction	i. Purchases and sales of manufactured products, job work services. ii. Purchase and sale of manufactured products.
c)	Duration of the contracts/ arrangements/transaction	i. Regular ii. Yearly
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	During the year 2021-22 the total value of transactions with the related parties are as follows: I. Sanghi Jewellers Private Limited i Purchases: Rs. 10,78,90,250/- only ii Sales Return: Rs. 31,47,748/- only II. Uday Jewellery Industries Limited Sales: 1,26,02,332/- only III. Ritesh Kumar Sanghi Payment of Rent Rs.6,60,000/- IV. Sanjay Kumar Sanghi Payment of Rent Rs. 6,60,000/- V. Pritha Sanghi Payment of Rent Rs. 6,60,000/- VI. Bhavna Sanghi Payment of Rent Rs. 6,60,000/- VII. Uday sanghi Payment of Rent Rs. 6,60,000/- VIII. Tejas Sanghi Payment of Rent Rs. 6,60,000/- Total Payment of Rent- Rs. 39,60,000/-
e)	Date of approval by the Board	Approval of Board is taken as and when required. Transactions with Related Companies are as per Shareholders approval.
f)	Amount paid as advances, if any	--

For and on behalf of Board of Directors

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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 Re-Appointment
1.	Mr. Sanjay Kumar Sanghi	Managing Director	00629693	14-10-2006/ 28-08-2017
2.	Mr. Ritesh Kumar Sanghi	Director	00628033	29.06.2007/ 11-12-2020
3.	Mr. Ramprasad Vempati	Director	01903161	14-01-2007/ 27-09 -2019
4.	Ms. Bhavna Sanghi	Director	02681438	14.05.2014/ 29-09-2021
5.	Mr. Siddharth Goel	Director	03022978	12-05-2012/ 27-09-2019
6.	Mr. Sunil Garg	Director	08851283	27-08-2020/ 11-12-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification of records available. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad

Date: 18.08.2022

AJAY SUMAN SHRIVASTAVA

FCS No.: 3489

C.P. No.: 3479

UDIN: F003489D000797150

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company present the Company's Report on Corporate Governance for the financial year ended March 31, 2022 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("the Amendment Regulations"), and any other amendments.

The report 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 2021-22 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 at 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.

a) 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, 2022.

The composition of the Board and category of each Director along with their shareholding in the Company as at 31st March, 2022, is as follows:

Name	Designation	Date of Appointment at current designation	Category	No. of Equity shares held in the Company
Mr. Sanjay Kumar Sanghi	Managing Director	28.08.2017	Promoter-Executive	21,47,584
Mr. Ritesh Kumar Sanghi	Director	11.12.2020	Promoter-Non-Executive	21,76,399
Ms. Bhavna Sanghi	Director	29.09.2021	Promoter-Non-Executive	13,47,600
Mr. Ramprasad Vempati	Director	27.09.2019	Independent–Non-Executive	-
Mr. Siddharth Goel	Director	27.09.2019	Independent–Non-Executive	-
Mr. Sunil Garg	Director	11.12.2020	Independent–Non-Executive	-

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

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

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

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

Name of Director	No. of Directorships	Member/Chairperson of Committee*	
		Member	Chairperson
Mr. Sanjay Kumar Sanghi	4	-	-
Mr. Ritesh Kumar Sanghi	5	-	-
Mr. Ram Prasad Vempati	2	2	1
Mr. Siddharth Goel	1	-	-
Ms. Bhavna Sanghi	2	-	-
Mr. Sunil Garg	1	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 an year, with a maximum time gap not exceeding one hundred and twenty days between any two meetings.

During the Financial Year ended 31st March, 2022, Eight Board Meetings were held on 29.06.2021, 13.08.2021, 27.08.2021, 21.09.2021, 12.11.2021, 23.11.2021, 17.01.2022, 07.02.2022. 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 29th September, 2021
		Held	Attended	
01	Mr. Ritesh Kumar Sanghi	8	8	Present
02	Mr. Sanjay Kumar Sanghi	8	8	Present
03	Mrs. Bhavna Sanghi	8	8	Not Present
04	Mr. Ram Prasad Vempati	8	8	Present
05	Mr. Siddharth Goel	8	8	Not Present
06	Mr. Sunil Garg	8	8	Not Present

d) Independent Directors

The Independent Directors on Board of the Company are non-executive directors and follow the criteria as defined under Regulation 16 of the SEBI Listing Regulations and Section 149 (6) of the Companies Act, 2013. The Independent Directors meeting held on 7th February, 2022 in accordance with Regulation 25(3) of the SEBI Listing Regulations regarding the performance of Non-Independent Directors and the Board as a whole;

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

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

III. COMMITTEES OF THE BOARD:

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

a. Audit Committee

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

During the Financial Year 2021-22, the Committee met Five times on 29.06.2021, 13.08.2021, 12.11.2021, 23.11.2021 and 07.02.2022 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 2021-22	
			Held	Attended
1.	Mr. Ramprasad Vempati (Chairman)	Independent Non-Executive	5	5
2.	Mr. Siddharth Goel	Independent, Non-Executive	5	5
3..	Mr. Sunil Garg	Independent, Non-Executive	5	5

2. Nomination and Remuneration Committee

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

During the Financial Year 2021-22 the Committee met on 29.06.2021 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 2021-22	
			Held	Attended
1.	Mr. Ramprasad Vempati (Chairman)	Independent Non-Executive	1	1
2.	Mr. Siddharth Goel	Independent, Non-Executive	1	1
3..	Mr. Sunil Garg	Independent, Non-Executive	1	1

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 2021-22, the committee met twice on 2nd August, 2021 and 7th February, 2022 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 2021-22	
			Held	Attended
1.	Mr. Siddharth Goel (Chairman)	Independent, Non-Executive	2	2
2.	Mr. Ramprasad Vempati	Independent, Non-Executive	2	2
3.	Mr. Sunil Garg	Independent, Non-Executive	2	2

IV. ANNUAL GENERAL MEETINGS:

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

Financial Year	Venue	Date / Time
2018-19	Hotel Royalton, 5-9-208, Chappel Road, Abids, Hyderabad-500001	27th September, 2019 at 11:00 A.M.
2019-20	Video Conferencing (VC)/ Other Audio - Visual means (OAVM)	11th December, 2020 at 12.00 P.M.
2020-21	Video Conferencing (VC)/ Other Audio - Visual means (OAVM)	29th September, 2021 at 3.00 P.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. The quarterly, half yearly and annual financial results of the Company are made available on the website of the Company at <http://www.narbadajewellery.com/investors/performance> and same is also published in the newspapers in one English National daily newspaper viz; "Business Standard" or Financial Express" and one Regional Language Newspaper "Nava Telangana" or "Namasthe Telangana".

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

VI. GENERAL SHARE HOLDER INFORMATION:

1. Annual General Meeting for the Financial Year 2021-22

Date	26th September, 2022
Time	3.00 P.M.
Venue	Video / OAVM at 3-6-291/4/B, 1st Floor, Hyderguda, Hyderabad – 500029, Telangana
Book Closure Date	19th September, 2022 to 26th September, 2022
Dividend Payment date	N.A.

2. Financial Year

The Company follows April- March as the Financial Year. The Board meeting calendar of the Financial Year ended 31st March, 2023 for approval of quarterly financial results is as follows:

Results for the quarter ending June 30,2022	Last week of August, 2022
Results for the quarter ending September 30, 2022	Second week of November, 2022
Results for the quarter ending December 31,2022	Second week of February, 2023
Results for the quarter and year ending March 31,2023	Last week of May, 2023

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 2021-22 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,2022 at Bombay Stock Exchange (BSE Limited) is as under:

Month	High (Price in Rs.)	Low (Price in Rs.)	Volume
April, 2021	27.45	22.80	4,00,314
May, 2021	24.35	34.20	7,139
June, 2021	32.75	34.00	12,123
July, 2021	28.00	30.90	11,444
August, 2021	24.70	29.15	11,550
September, 2021	22.50	25.20	16,552
October, 2021	24.20	36.35	45,461
November, 2021	30.00	35.00	15,228

NARBADA GEMS AND JEWELLERY LIMITED

December, 2021	27.60	30.00	26,605
January, 2022	29.60	38.20	1,22,110
February, 2022	36.15	44.20	1,25,025
March, 2022	39.65	40.70	16,677

5. Market performance of the Company during the Financial Year 2021-22



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:rt@cilsecurities.com

Website:www.cilsecurities.com

6. 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.

7. Distribution of Shareholding as on 31st March, 2022:

Category (No. of shares)	Number of holders	% of total holders	Number of shares	% of total shares
Upto 500	5202	91.68	839597	4.75
501-1000	282	4.97	187319	1.06
1001-2000	97	1.71	130138	0.74
2001-3000	23	0.41	56740	0.32
3001-4000	6	0.11	21322	0.12
4001-5000	6	0.11	27707	0.16
5001-10000	17	0.30	132099	0.75
10001and above	41	0.72	16279388	92.11
Total	5674	100	17674310	100

8. 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, 2022, 95.09% of the total issued Equity shares representing 1,68,06,610 Equity shares are held in dematerialized form.

During the period under review, the Preferential Issue of 91,00,000 Warrants of Rs. 17 each, convertible into equal Equity shares of Rs. 10 each with premium of Rs. 7 per share has progressed as approved. Out of such warrants, on 30.03.2021 as first tranche, 26,23,000 Equity Shares were allotted to Promoters and Promoter group upon conversion and 5,00,000 Equity Shares were allotted to Non-Promoter/Public upon conversion. Thereafter, 24,94,000 equity Shares were allotted to Promoters/ Non-Promoters on 23.11.2021 and remaining 34,83,000 Equity Shares were allotted on 24.05.2022. Hence, all warrants have been converted into shares which have been listed.

- 9) Outstanding Global depository receipts or American depository receipts or warrants or convertible instruments:- NIL

10) Address for correspondence

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

Email:-comsec@narbadajewellery.com

VII. OTHER DISCLOSURES:

i) Disclosure on materially significant related party transactions

During the Financial Year 2021-22, 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.

ii) Details of non-compliance by the Company

The following are the details of actions taken against the Company 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:

S. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks
1.	BSE Limited	Delay in making application for listing as per Regulation 108(2) of SEBI ICDR	BSE levied Penalty of Rs. 20,000 on the Company, which was paid. Subsequently, BSE approved the listing of shares issued in the preferential issue.	Delay/ Default has been condoned by BSE by way of imposing penalty. No other instances of Compliance failure or delayed compliance during the period under review.

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 behaviour, 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.

iv) Details of compliance with Mandatory requirements

During the financial year 2021-22, the Company has complied with all mandatory requirements as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

v) 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, 2022 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, 2022.

For and on behalf of Board of Directors

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

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

Date: 18-08-2022
Place: Hyderabad

ANNEXURE-VI

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, 2nd Floor,
Hyderguda, Hyderabad-500029.

I have examined the records of **Narbada Gems and Jewellery Limited, (BSE Code 519455)**, Hyderabad for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraph C,D 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, 2022 as made available physically and remotely. I have obtained the required information which is to the best of my knowledge and 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: 18.08.2022

AJAY SUMAN SHRIVASATAVA
Practicing Company Secretary
Membership No: 3489
PCS: 3479
UDIN: F003489D000797172

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, 2022 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 jointly accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors namely M/s Anant Rao & 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 if any.
 - (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: 18.08.2022
Place: Hyderabad

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

Sd/-
(Bajranglal Agarwal)
Chief Financial Officer

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report covers the operations and financial performance of the Company for the year ended March 31, 2022. The Company operates in one segment which is Jewellery manufacturing. Your Board of Directors places herewith the Management Discussion and Analysis Report on the business of the Company as applicable to the extent relevant.

GLOBAL PANDEMIC

The Pandemic has left everyone affected globally one way or the other. It has caused huge disruptions in terms of economic activity as well as the loss of human lives. Nationwide shutdowns, economic slowdown have impacted various industries. Gems & jewellery is one of those many industries that have suffered majorly due to it as domestic demand and exports sharply crashed. One wave after the other is not letting this industry recover properly.

The production, export, and supply were aligned to encounter the desired goals. Conversely, the outspread of coronavirus took everyone by shock. The jewelry business dipped significantly. The high-value diamond pieces and the high-end chunky jewelry widely popular in the Middle East and far-east agonized a huge downfall.

The lockdown period instigated the feeling of uncertainty. The uncertain economic future caused an imbalance in the sale and export in the context of the gems and jewelry industry. During the Lockdown, our workers and artisans returned to their native places due to the global pandemic and it took considerable time to convince them to return back to work. Sales were adversely affected due to overall public sentiments. Further due to ongoing Covid, majority of the travel for festivals and other religious purposes was impaired, marriages were postponed or became low-key affairs thereby, the light Jewellery purchases were at a lower ebb of the cycle.

INDUSTRY OVERVIEW:

India's gems and jewellery export sector is one of the largest in the world. The market size of the global gems and jewellery sector is likely to expand to US\$ 103.06 billion till 2023. The Government of India is aiming at US\$ 70 billion in jewellery export in the next few years until 2025. India's Gems and Jewellery sector has been contributing in a big way to the country's foreign exchange earnings (FEEs). The government has viewed this sector as a thrust area for export promotion.

India's gems and jewellery exports reached US\$ 39.14 billion in 2021-22, a 54.13% rise from the previous year. India ranks first among the top exporters in cut & polished diamonds, and second in gold jewellery, silver jewellery and lab-grown diamonds. Cumulative FDI inflows in diamond and gold ornaments stood at US\$ 1,213.05 million between April 2000-March 2022. India has signed an FTA with the UAE which will further boost exports and is expected to reach the target of US\$ 52 billion. In the Budget for FY 2022-23, the Government has reduced custom duty on cut and polished diamond and colored gemstones from 7.5% to 5% and NIL respectively.

The Government has undertaken various measures recently to promote investment and upgrade technology and skills to promote 'Brand India' in the international market. The Government has permitted 100% FDI in the sector under the automatic route. It is expected that the positive impact of polarization on the organized sector is likely to be visible operationally within a couple of years that would go a long way in improving the margin and turnover for the industry in general and the Company. With availability of further funds, the growth is likely to be accelerated in coming years.

MARKET SIZE:

The Indian Gems and Jewelry Market stood at USD 78.50 billion in FY 2021 and is expected to grow with a CAGR of 8.34% in the forecast years, FY2023 - FY2027, to achieve a market value of USD 119.80 billion by FY 2027.

India majorly exports cut & polished diamonds, lab-grown synthetic diamonds, colored gemstones, synthetic stone, plain and studded gold jewellery, silver & platinum jewellery, imitation jewellery and articles of gold, silver and others. Western Region is key exporting hub for the gems and jewellery industry contributing almost 77% of the total exports in 2021-22.

The global estimated market size of the gems and jewellery sector is expected to reach over US\$ 480 billion by 2025 even though there can be times of slow growth post-pandemic.

INVESTMENTS/ DEVELOPMENTS:

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

The Company has newly started 18-karat gold jewelry which offers a good balance between durability and purity. Considering the business dynamics, it is far more popular as it has been mixed with more durable metals to make it in itself far more durable which makes it a very attractive proposition. This will further assist in reaching out to masses and serve public at large thereby help in increasing margin and capture the untouched market.

The Company is in the process of setting up additional manufacturing capacity at Basheerbagh, Hyderabad in a premises owned by the promoters for future growth of the Company to cater to growing demand. The new factory will be more technology oriented and shall be a state of art facility with well-planned layout and use of high end tech tools for the designing section. The unit specializes in Gold ornaments studded with flat diamond and colour gemstones. The said facility of the Company will be well equipped with state-of-the-art machinery and technology by using Computer Aided Design (CAD and Computer aided model manufacturing (CAM), increasing the overall capacity and enhanced finishing of the products. The management is hopeful that production capacity will be increased to three times. However, the Challenge faced by the Company is shortage of skilled labour. But the Company is trying hard to overcome the Challenge and therefore, will invest in the training centres for improving labour skills.

The response to the new range is very encouraging and Company is receiving good number of sale orders across Country and abroad, and has started dispatching export orders. This will provide a boost to the top line and bottom line.

GOVERNMENT INITIATIVES:

Government wants to make the gem and jewellery sector self-reliant. Therefore, this will be a focus area both for domestic growth and for export promotion. The Budget 2022 has paved the road for the sector to grow and expand India's footprint in the global gem and jewellery trade.

The sector contributes 7 per cent to the GDP and employs around 50 lakh people. The proposed policies in the Budget, including reduction in import duty on Cut and Polished Diamonds to 5 per cent from the earlier 7.5 per cent, extension of emergency credit line guarantee scheme for MSMEs up to March 2023, acceptance of personal surety bonds in place of bank guarantee for import of gold, will help facilitate exports through e-commerce ensuring that small retailers, are aimed at making the sector self-reliant. Some of the important highlights are mentioned below-

- A. The government has reduced the customs duty on colored gemstones from 7.5% to 5%.
- B. India has signed an FTA with the UAE which will further boost exports and is expected to reach the target of US\$ 52 billion.
- C. The Government has permitted 100% FDI in the sector under the automatic route, wherein the foreign investor or the Indian company do not require any prior approval from the Reserve Bank or Government of India. The Government has made hallmarking mandatory for gold jewellery and artefacts and a period of one year is provided for its implementation.
- D. India has 10 special economic zones (SEZ) for gems & jewellery. These zones have more than 500 manufacturing units, which contribute 30% to the country's total exports.
- E. Gold Monetization Scheme enables individuals, trusts and mutual funds to deposit gold with banks and earn interest on the same in return.
- F. The Gem & Jewellery Export Promotion Council Organized India's biggest and second-biggest trade shows, IJJS Premiere, and IJJS Signature for the promotion of export and trade.

ROAD AHEAD:

The Company fulfills the royal aspirations of the brides with exclusive heritage jewellery and also accentuates the feeling of Royalty to people who adorn such jewellery. The Company has newly started 18-karat gold jewelry which offers a good balance between durability and purity. Considering the business dynamics, it is far more popular as it has been mixed with more durable metals to make it in itself far more durable which makes it a very attractive proposition. This will further assist in reaching out to masses and serve public at large thereby help in increasing margin and capture the untouched market.

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry.

The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry. Further the Company is planning to implement omni-channel approach with focus on digital strategy to boost sales.

Plans to Modify/ Enhance the product Offering: The Management focus to enhance the product offering to the customers, hence new product innovation is one of the integral plan of the company.

Strategizing the Marketing & Business Development:

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

The Company's marketing team at present is catering to the following category of buyer group: National Chains – Retail Chains having National level presence, Local Chains – Retail Chains having regional/local level presence, Family Jewellers – Well known Family jewellers having 1 or 2 stores, Distributors and Exports.

The Company is developing new collections to provide a wide range of collection to its customers and we expect the new collections will help us to penetrate the market. 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 revenue and 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, the Company brought in a further issue capital of issuing 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.

CHALLENGES FACED BY THE INDUSTRY:

It is a tough time for the gems and jewellery sector in India, with the rough patch to continue until both business sentiment and consumer confidence revives. It is estimated that the high gold and silver prices will keep retail demand low, even though the investment demand would continue to remain positive. The fear of the pandemic has created a subdued environment for rituals, traditions, festivals and occasions.

The Company is exposed to risk in exchange rate fluctuations as the Company is dependent on exports sales. However, the Company closely monitors and takes appropriate steps to reduce such risks.

During the Lockdown, our workers and people who work on jewellery designs and related work returned to their native place due to global pandemic and it took considerable time to convince them to return back to work. Sales were adversely affected due to overall public sentiments and the major sale events were seriously hampered due to lockdowns and related sentiments.

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:

The nature of the Company's business exposes it to several inherent risks and concerns. The Company strives to closely monitor the risks and to mitigate them by adopting suitable, pragmatic strategies:

- a) **Bullion Risk:** The volatility in the gold prices exposes the Company to bullion risk as gold forms approximately 30% to 50% of the cost of the finished product.
- b) **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.

- c) Labour availability Risk: Gems and jewels industry is a highly labour-bounded and export-oriented sector. The labour force shifted back to their native places due to Covid-19 and lockdown, which is resulted non- availability of Labour for few months.
- d) 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.
- e) 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.
- f) 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.

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate systems of internal controls in order to ensure that all assets are safeguarded against loss from unauthorised use or disposition and that all transactions are authorised, recorded and reported correctly. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place. The Management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business.

The emphasis of internal control will be further strengthened across functions and processes, covering the entire gamut of activities including manufacturing, finance, supply chain sales & distribution, marketing etc. 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, 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 considers its human resources as amongst its most valuable assets and continues to place emphasis on their development. It has been Company's constant endeavour to impart requisite training and thereby develop and hone the skills and talent of its personnel and enable them to realize their potential.

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. The overall Industrial Relations in the Company have been quite peaceful and cordial.

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
8. Mandatory hallmarking will ensure the purity of Gold and hence, transparency can be maintained.

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. Tier II and III cities rising demand
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 affect 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 hinderance.
9. Increasing duties and cess following GST implementation
10. Unpredictable Covid situation may lead to unavailability of Artisans/ workers.

PERFORMANCE DURING THE YEAR

The Company delivered a great performance in the Financial Year 2021-22 despite the pandemic-related disruptions during parts of the year. The COVID-19 pandemic, continued to be a global challenge, creating disruption across the world. The Company witnessed strong demand across its businesses

achieving significant revenue uplift and ending the year on a strong note. The Company reported a Net Profit of Rs. 345.87 Lakhs as against Rs. 202.98 Lakhs earned during previous year registering growth of 70.40%.

FINANCIAL SYNOPSIS OF THE COMPANY:

Share Capital:

The Authorised Share Capital of your Company is Rs. 21,50,00,000/- divided into 2,15,00,000 Equity shares of Rs. 10/- each as on 31st March, 2022. The total Paid up capital of the Company stands at Rs. 21,15,73,100 divided into 2,11,57,310 Equity shares of Rs. 10 each as on date.

During the period under review, Preferential Issue of 91,00,000 Warrants of Rs. 17 each, convertible into equal Equity shares of Rs. 10 each with premium of Rs. 7 per share have been approved. In-Principle approval received from BSE Ltd. on 01.01.2021 and Warrants were allotted on 13.01.2021. Out of such warrants, on 30.03.2021 as first tranche, 26,23,000 Equity Shares were allotted to Promoters and Promoter group upon conversion and 5,00,000 Equity Shares were allotted to Non-Promoter/ Public upon conversion. Thereafter, 24,94,000 equity Shares were allotted to Promoters/ Non-Promoters on 23.11.2021 and remaining 34,83,000 Equity Shares were allotted on 24.05.2022. Hence, all warrants have been converted and listed at BSE Limited. The proceeds from the said issue were solely utilized to meet the working capital requirements of the business.

Secured Loans:

Secured Loan is Rs. 149.11 Lakhs during the financial year 2021-22.

Fixed Assets:

Fixed Assets (Net Block) is Rs. 117.95 Lakhs during the financial year 2021-22.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing Company's objective, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. 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 event.

For and on behalf of Board of Directors

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

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

Date: 18.08.2022

Place: Hyderabad.

INDEPENDENT AUDITOR'S REPORT

To the Members

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 2022, 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, 2022, 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, 2022. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Other information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
3. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
5. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

7. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended. According to the information and explanations given to us and based on our examination of the records the Company, the Company has not paid any managerial remuneration to any director.
8. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. There are no pending litigations for the company that will impact the financial position of the company;
 - b. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts:
 - (i), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
 - e. No dividend declared/paid during the year has been made/ provided by the Company, accordingly compliance of Section 123 of the Act, is not applicable.

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

Sd/-
(V ANANT RAO)
Partner

Membership No.022644

UDIN : 22022644AJLBXS1244

Place: Hyderabad
Date: 23.05.2022

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 2022, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, Capital work-in-progress and relevant details of right-of-use of assets.

(B) The Company has maintained proper records showing full particulars of intangible Assets
 - (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which fixed assets are verified during the year. In accordance with this programme, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not held any immovable properties. Consequently, clauses 3(i)(c) of the Order is not applicable to the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to the information and explanations given to us, there are no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. **In respect of Inventories :**
- (a) (A) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(B) The coverage and procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(C) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
 - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

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

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, Goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
 - b) According to information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Value added Tax, Customs Duty or Cess outstanding on account of any disputes
- viii. According to the information and explanations given to us and on the basis of examination of the records, there were no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
 - (a) According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in the repayment of loans along with interest to the Banks.
 - (b) The company has not been declared wilful defaulter by any bank or financial institution or other lender;
 - (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries or Associates.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associates.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.
- (b) During the year the Company has made preferential allotment of 24,94,000 equity shares of Rs.10 each at a premium of Rs.7/- each on conversion of Share Warrants and Company has with the requirements of section 42 and section 62 of the Companies Act, 2013. The funds raised by the Company have been used for the purposes for which the funds were raised.
- xi. (a) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports issued to the Company during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) According to the information and explanations given to us, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable
- (b) According to the information and explanations given to us, The Company does not have any Core Investment Company as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. As we are the continuing auditor of this Company, paragraph 3(xviii) is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) As per the provisions of Section 135 of the Companies Act, 2013 the Corporate Social responsibility (CSR) is not applicable to the Company.
- (b) In respect of ongoing projects, the Company does not have any unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year. Hence, reporting under clause 3(xx)(b) of the Order is not applicable.
- xxi. The company does not have any investment in any entity. Hence, Company is not required to prepare consolidated financial statements and reporting under clause 3(xxi) of the Order is not applicable.

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

Sd/-
(V ANANT RAO)
Partner

Membership No.022644
UDIN: 22022644AJLBXS1244

Place: Hyderabad
Date: 23.05.2022

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 2022 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 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
(V ANANT RAO)
Partner

Membership No.022644
UDIN: 22022644AJLBXS1244

Place: Hyderabad
Date: 23.05.2022

NARBADA GEMS AND JEWELLERY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in lakhs)

Particulars	Note No.	31st March, 2022	31st March, 2021
A Assets			
1 Non-Current assets			
(a) Property, Plant & Equipment	1	117.95	82.64
(b) Capital Work-in-progress	1	55.10	13.95
(c) Financial assets			
(i) Other financial assets	2	40.66	40.66
(c) Deferred tax Asset (net)	3	-	-
(d) Other non-current assets	4	-	-
Total Non - Current Assets		213.71	137.25
2 Current assets			
(a) Inventories	5	3,859.55	2,352.83
(b) Financial assets			
(i) Investments	6	46.41	29.46
(ii) Trade receivables	7	1,216.69	1,507.82
(iii) Cash & Cash Equivalents	8	6.08	90.70
(iv) Other financial assets		-	-
(c) Current tax assets (net)		-	-
(d) Other Current assets	9	70.06	21.49
Total Current Assets		5,198.80	4,002.29
Total Assets		5,412.51	4,139.55
B Equity & Liabilities			
1 Equity			
(a) Equity share capital	10	1,770.11	1,520.71
(b) Other Equity	11	1,885.96	1,471.51
Total Equity		3,656.07	2,992.22
2 Liabilities			
Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	149.11	211.50
(b) Deferred tax liabilities (net)	13	0.74	0.81
Total Non-Current Liabilities		149.85	212.31
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,135.60	879.31
(ii) Trade payables	15		
(a) Total outstanding dues of micro and small enterprises		56.96	14.48
(b) Total outstanding dues of creditors other than micro and small enterprises		343.45	10.45
(b) Other current liabilities	16	33.88	24.35
(c) Current tax liabilities (net)	17	36.70	6.43
Total Current Liabilities		1,606.59	935.02
Total Equity and Liabilities		5,412.51	4,139.55

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

(V. Ananta Rao)
Proprietor
Membership No. 022644

Hyderabad
Date: 23.05.2022

For Narbada Gems and Jewellery Limited

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Sd/-
Bajranglal Agarwal
Chief Financial Officer

Sd/-
Ritesh Kumar Sanghi
Director
DIN: 00628033

Sd/-
Shivani Rastogi
Company Secretary
M. No. 64987

NARBADA GEMS AND JEWELLERY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022 (Rs. in lakhs)

Particulars	Note No.	31st March, 2022	31st March, 2021
Revenue from operations	18	6,062.87	3,800.47
Other income	19	31.10	23.36
Total Revenue (I)		6,093.96	3,823.83
Expenses:			
Cost of materials consumed	20	6,802.31	3,930.89
Changes in inventories	21	(1,506.72)	(648.10)
Employee benefits expense	22	178.84	104.47
Finance costs	23	68.40	62.03
Depreciation	1	15.96	15.26
Other expenses	24	71.71	83.79
Total Expenses (II)		5,630.51	3,548.34
Profit before tax and exceptional items (I-II)		463.46	275.49
Exceptional Items		-	-
Profit before tax		463.46	275.49
Tax expense:			
Current tax		117.67	73.43
Deferred tax		(0.08)	(0.92)
Profit after tax		345.87	202.98
Other Comprehensive income			
A (i) Items that will not be reclassified to profit or loss (net of tax)		-	-
B (i) Items that will be reclassified to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income after tax		345.87	202.98
Earnings per equity share:	25		
Basic		2.15	1.68
Diluted		1.83	1.55
Accounting Policies	26		

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

(V. Ananta Rao)
Proprietor
Membership No. 022644

Hyderabad
Date: 23.05.2022

For Narbada Gems and Jewellery Limited

Sd/-
Sanjay Kumar Sanghi
Managing Director
DIN: 00629693

Sd/-
Bajranglal Agarwal
Chief Financial Officer

Sd/-
Ritesh Kumar Sanghi
Director
DIN: 00628033

Sd/-
Shivani Rastogi
Company Secretary
M. No. 64987

STATEMENT OF CHANGES IN EQUITY

A. EQUITY SHARE CAPITAL

(Rs. In Lakhs)

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

(Rs. In Lakhs)

Balance as on 01.04.2020	Changes in Equity share capital due to prior period errors	Restated balance as at 01.04.2022	Changes in Equity share capital due to prior period errors	Restated balance as at 31.03.2021
1,208.41	-	1,208.41	312.30	1,520.71

B. OTHER EQUITY

(Rs. in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive income	Money received on issue of share warrants	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings			
Balance as at April 1, 2021	445.90	-	771.59	-	254.02	1,471.51
Amount received for warrant conversion	-	-	-	-	-	-
Conversion of share warrants into Equity shares	174.58	-	-	-	(106.00)	68.59
Profit for the year	-	-	345.87	-	-	345.87
Other comprehensive income/(losses)	-	-	-	-	-	-
Balance as at 31st March, 2022	620.48	-	1,117.46	-	148.03	1,885.96

Particulars	Reserves and Surplus			Other Comprehensive income	Money received on issue of share warrants	Total
	Securities Premium Reserve	Capital Reserve	Retained Earnings			
Balance as at April 1, 2020	227.29	-	568.61	-	-	795.90
Amount received for warrant conversion	-	-	-	-	386.75	386.75
Conversion of share warrants into Equity shares	218.61	-	-	-	(132.73)	85.88
Profit for the year	-	-	202.98	-	-	202.98
Other comprehensive income/(losses)	-	-	-	-	-	-
Balance as at 31st March, 2021	445.90	-	771.59	-	254.02	1,471.51

NARBADA GEMS AND JEWELLERY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Rs. in lakhs)

Particulars	31st March, 2022	31st March, 2021
A. Cash flows from Operating Activities		
Net Profit before tax	463.46	275.49
Adjustments for:		
Depreciation	15.96	15.26
Finance Cost	68.40	62.03
Dividend Income	(2.33)	(0.15)
Gain on Shares investment	(14.68)	(2.97)
Operating profit before working capital changes	530.81	349.66
Working capital changes:		
(Increase) / Decrease in Inventories	(1506.72)	(648.10)
(Increase) / Decrease in Trade Receivables	291.13	(232.67)
(Increase) / Decrease in Other Financial assets	0.00	(33.00)
(Increase) / Decrease in Non current Assets	0.00	3.78
(Increase) / Decrease in Investments	(16.96)	(29.46)
(Increase) / Decrease in Other current assets	(48.58)	53.66
Increase / (Decrease) in Current Liabilities & Provisions	375.49	(106.92)
Increase / (Decrease) in Other current liabilities	9.52	4.56
Cash Generated from Operations	(365.31)	(638.49)
Direct Taxes	(87.40)	(72.99)
Net Cash Flow from Operating Activities	(452.71)	(711.48)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(92.42)	(17.80)
Dividend Income	2.33	0.15
Gain on Shares investment	14.68	2.97
Net Cash used in investing Activities	(75.40)	(14.67)
C. Cash flows from Financing Activities		
Finance Cost	(68.40)	(62.03)
Increase / (Decrease) in Borrowings	193.91	90.02
Issue of equity shares	423.98	530.91
Issue of share warrants	(106.00)	254.02
Net Cash used in Financing Activities	443.49	812.92
Net increase/(decrease) in Cash and Cash Equivalents	(84.62)	86.76
Cash and Cash equivalents at the beginning of the year	90.70	3.94
Cash and Cash equivalents at the end of the year	6.08	90.70

Notes:

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

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

**(V. Ananta Rao)
Proprietor
Membership No. 022644**

**Hyderabad
Date: 23.05.2022**

For Narbada Gems and Jewellery Limited

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

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

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

**Sd/-
Shivani Rastogi
Company Secretary
M. No. 64987**

NOTE 1A: Property, Plant & Equipment

Asset	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2021	Additions during the Year	Sales/ Adjustments during the Year	As at 31.03.2022	As at 01.04.2021	For the Year	Sales/ Adjustments during the Year	As at 31.03.2022	As at 31.03.2022
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Computer	1.24	0.79	-	2.03	0.72	0.19	-	0.91	1.12
Office equipment	9.28	1.14	-	10.42	5.06	1.84	-	6.90	3.52
Furniture & Fixtures	10.64	-	-	10.64	2.63	1.09	-	3.72	6.91
Plant & Machinery	11.02	48.44	-	59.46	1.86	1.79	-	3.65	55.81
Vehicles	91.49	0.89	-	92.38	30.75	11.05	-	41.80	50.58
TOTAL ASSET	123.67	51.27	0.00	174.93	41.03	15.96	0.00	56.99	117.95
(Previous year)	119.82	3.85	0.00	123.67	25.77	15.26	0.00	41.03	82.64

NOTE 1B: Capital Work-in-Progress**Ageing of CWIP as on 31.03.2022**

(Rs. in lakhs)

	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	41.15	13.95	0.00	0.00	55.10
Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00

Ageing of CWIP as on 31.03.2021

(Rs. in lakhs)

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

Note: 2 Other Financial Assets

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Unsecured Considered good Deposits(others)	40.66	7.66
Total	40.66	7.66

Note:3 Deferred tax Asset (Net)

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Opening Balance	-	-
Less: During the year	-	-
Total	-	-

Note:4 Other non-current assets

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Other Assets	-	-
Total	-	-

Note:5 Inventories

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Raw materials	-	-
Work-in-progress	1,453.83	1,340.48
Finished goods	2,405.72	1,012.34
Total	3,859.55	2,352.83

Note:6 Investments (Financial assets)

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Unsecured Considered good Investment In Shares	46.41	29.46
Total	46.41	29.46

Note:7 Trade Receivables (Financial assets)

Ageing of Trade receivables as on 31.03.2022

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

Ageing of Trade receivables as on 31.03.2021

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,507.82	-	-	-	-	1,507.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,507.82	-	-	-	-	1,507.82

NARBADA GEMS AND JEWELLERY LIMITED

Note:8 Cash & Bank Balances (Financial assets)

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Cash & Cash equivalents:		
Cash on hand	0.27	1.59
Balances with banks in current accounts	5.80	89.11
Total	6.08	90.70

Note:9 Other Current assets

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
GST Receivable	31.19	15.42
Other Advances	38.88	6.07
Total	70.06	21.49

Note 10: Share Capital:

Particulars	31.03.2022	31.03.2021
Authorized share capital		
Opening: 2,15,00,000 Equity shares of Rs.10 each	2,150.00	1,350.00
Add: Changes during the year:		
Zero Equity shares of Rs.10 each	-	800.00
Closing: 2,15,00,000 Equity shares of Rs.10 each	2,150.00	2,150.00
Issued,Subscribed and Paid up capital		
(a) 1,51,80,310 Equity shares of Rs.10 Each,Fully paid up	1,518.03	1,205.73
(b) 64,200 Equity Shares - Share Forfeited Account	2.68	2.68
Changes during the year:		
24,94,000 Equity shares of Rs.10 each	249.40	312.30
Total 1,76,74,310 equity shares outstanding as on 31.03.2022	1,770.11	1,520.71

Reconciliation of Number of Shares

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	(No. of shares)	(Rs. in lakhs)	(No. of shares)	(Rs. in lakhs)
Opening Balance	15,180,310	1,518.03	12,057,310	1,205.73
Changes during the year	2,494,000	249.40	3,123,000	312.30
Closing Balance	17,674,310	1,767.43	15,180,310	1,518.03

NARBADA GEMS AND JEWELLERY LIMITED

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	% of Issued Share Capital	(No. of shares)	% of Issued Share Capital	(No. of shares)
Equity Shares:				
Ritesh Kumar Sanghi	12.31%	2,176,399	12.77%	1,938,599
Sanjay Kumar Sanghi	12.15%	2,147,584	12.68%	1,924,284
Hanumanthrai Sanghi	6.97%	1,231,400	5.25%	796,400
Sarala Sanghi	8.25%	1,458,800	6.36%	965,800
Pritha Sanghi	6.92%	1,223,300	7.10%	1,078,300
Bhavna Sanghi	7.62%	1,347,600	7.50%	1,138,800
Tejas Sanghi	5.60%	990,013	5.45%	827,613
Uday Sanghi	5.51%	974,185	5.12%	776,985

Disclosure of Shareholding of Promoters

Particulars	Year ended March 31, 2022		Year ended March 31, 2021		Change during the year
	(No. of shares)	% of Total Shares	(No. of shares)	% of Total Shares	
Equity Shares:					
Ritesh Kumar Sanghi	2,176,399	12.31%	1,938,599	12.77%	-0.46%
Sanjay Kumar Sanghi	2,147,584	12.15%	1,924,284	12.68%	-0.53%
Hanumanthrai Sanghi	1,231,400	6.97%	796,400	5.25%	1.72%
Sarala Sanghi	1,458,800	8.25%	965,800	6.36%	1.89%
Pritha Sanghi	1,223,300	6.92%	1,078,300	7.10%	-0.18%
Bhavna Sanghi	1,347,600	7.62%	1,138,800	7.50%	0.12%
Tejas Sanghi	990,013	5.60%	827,613	5.45%	0.15%
Uday Sanghi	974,185	5.51%	776,985	5.12%	0.39%
Sakshi Sanghi	446,250	2.52%	228,750	1.51%	1.02%
Mahima Sanghi	357,000	2.02%	183,000	1.21%	0.81%
Sanghi Jewellers Pvt. Ltd.	550	0.00%	550	0.00%	0.00%
	12,353,081	69.89%	9,859,081	64.95%	4.95%

NARBADA GEMS AND JEWELLERY LIMITED

Other Equity: (Rs. in lakhs)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
Securities Premium Reserve				
Balance at the beginning of the year	445.90		227.29	
Add: Additions during the year	174.58		218.61	
Balance at the end of the year		620.48		445.90
Money received on issue of share warrants				
Balance at the beginning of the year	254.02		-	
Add: Additions during the year	-		386.75	
Less: Conversion during the year	(106.00)		(132.73)	
Balance at the end of the year		148.03		254.02
Retained Earnings				
Balance at the beginning of the year	771.59		568.61	
Add: Additions during the year	345.87		202.98	
Balance at the end of the year		1,117.46		771.59
Total		1,885.96		1,471.51

NOTES TO RESERVES

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

Note:12 Borrowings (Financial liabilities) (Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Secured Loans:		
Working Capital (GECL) Loan	149.11	211.50
Total	149.11	211.50

Note:13 Deferred tax liabilities (Net) (Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Deferred tax liabilities		
Opening Balance	0.81	1.73
Less: During the year	(0.08)	(0.92)
Less: IND AS Adjustments	-	-
Total	0.74	0.81

NARBADA GEMS AND JEWELLERY LIMITED

Note:14 Borrowings (Financial liabilities)

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Secured Loans:		
Working capital loan(CC)	1,073.22	853.16
Current maturities of long term debts	62.39	5.50
Vehicle Loan	-	20.65
Total	1,135.60	879.31

Note:15 Trade payables (Financial liabilities)

(Rs. In Lakhs)

Ageing of Trade payables as on 31.03.2022

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	56.96	-	-	-	-	56.96
	-	-	-	-	-	-
Outstanding dues other than micro and small enterprises	-	-	-	-	-	-
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	343.45	-	-	-	-	343.45
Total	400.41	-	-	-	-	400.41

Ageing of Trade payables as on 31.03.2021

Particulars	Outstanding for following periods from the date of transaction					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 years	More than 3 years	
Outstanding dues of micro and small enterprises	-	-	-	-	-	-
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	14.48	-	-	-	-	14.48
	-	-	-	-	-	-
Outstanding dues other than micro and small enterprises	-	-	-	-	-	-
(a) Disputed dues	-	-	-	-	-	-
(b) Undisputed dues	10.45	-	-	-	-	10.45
Total	24.93	-	-	-	-	24.93

NARBADA GEMS AND JEWELLERY LIMITED**Note:16 Other Current liabilities**

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Others	33.88	24.35
Total	33.88	24.35

Note:17 Current tax liabilities (net)

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Provision for income tax	36.70	6.43
Total	36.70	6.43

Note 18 : Revenue from operations

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Sale of products		
- Domestic Sales	5,606.75	3,800.47
- Export Sales	456.12	-
Revenue from operations (net)	6,062.87	3,800.47

Note 19 :Other income

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Dividend Received	2.33	0.15
Exchange Rate Fluctuation	6.77	-
Freight Charges on Exports	4.39	-
Profit on Sale of Shares	14.68	-
Other Income	2.91	23.21
	31.10	23.36

Note 20 : Cost of raw material consumed

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Purchases	6,802.31	3,930.89
	6,802.31	3,930.89

Note 21 : Changes in inventories

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Work-in-progress		
Inventory at the beginning of the year	1,340.48	433.02
Inventory at the closing of the year	(1,453.83)	(1,340.48)
	(113.35)	(907.47)
Finished Goods		
Inventory at the beginning of the year	1,012.34	1,271.70
Inventory at the closing of the year	(2,405.72)	(1,012.34)
	(1,393.38)	259.36
Changes in Inventories	(1,506.72)	(648.10)

Note 22 : Employee benefits expense

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Salaries, Wages and Bonus	174.45	101.81
Contribution to Provident Fund	3.04	2.06
Contribution to ESI	0.76	0.59
Staff Welfare	0.59	-
	178.84	104.47

Note 23 : Finance costs

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Bank charges and commission	1.46	22.42
Bank Interest	66.95	39.62
	68.40	62.03

Note 24 : Other expenses

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
As Auditor		
- Statutory Audit	0.50	0.50
- Tax Audit	0.15	0.15
	0.65	0.65
Bank charges and Interest	1.41	0.18
Business Promotion Expenses	-	-
Travelling & Conveyance	5.41	3.67
Commission	-	-
Power and Fuel	4.48	3.51

NARBADA GEMS AND JEWELLERY LIMITED

Repairs and Maintenance		
- Repairs & Maintenance Vehicle	1.63	0.64
- Repairs & Maintenance Others	3.41	-
Rates and Taxes	2.39	12.72
Factory Expenses	-	0.66
Postage, Telegrams & Telephones	2.38	3.43
Printing & Stationery	0.77	1.32
Insurance	2.96	2.27
Advertisement and publicity	1.87	2.22
Jobwork charges	7.02	6.45
Consulting and professional fee	18.62	13.80
Rent	9.72	21.69
Membership fee	0.07	0.35
Security services	6.13	4.98
Other Expenses	2.78	5.24
	71.71	83.79

Note 25 : Earnings per share (EPS)

(Rs. In Lakhs)

Particulars	31st March, 2022	31st March, 2021
Profit after tax	345.87	202.98
Weighted average number of equity shares in calculating basic EPS (Nos In Lakhs)	160.62	120.66
Weighted average number of equity shares in calculating diluted EPS (Nos In Lakhs)	188.69	130.74
Basic Earnings per Equity Share	2.15	1.68
Diluted Earnings per Equity Share	1.83	1.55

Notes to account for the year ended March 31, 2022**A. General Information**

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

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

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

The financial statements were approved by the board of directors and authorised for issue on 23-05-2022.

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

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

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

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

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

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

1.2 Use of estimates and judgment

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

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

1.3 Revenue Recognition

i) Operating Income

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

ii) Other Income

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

1.4 Property, Plant and Equipment's

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

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

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

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

1.5 Depreciation

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

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

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

1.6 Inventory

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

Basis of determination of cost remain as follows:

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

1.7 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.

1.8 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.

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

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

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

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

Current and deferred tax for the year

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

1.10 Impairment

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains

substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

1.11 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of:

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

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

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

a) Cash and cash equivalents

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

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

c) Loans and receivables

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

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

d) Trade and other payables

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

e) Foreign Currencies Transactions

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

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

1.12 Prior Period Errors

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

1.13 Recent accounting pronouncements

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

i. Ind AS 103 – Reference to Conceptual Framework

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

ii. Ind AS 16 – Proceeds before intended use

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

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

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

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

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

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

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

27. Additional Notes to Accounts:

Secured Loans and Bank Overdrafts:

Name of bank	Balance due (Rs in lakhs)	Secured against
Kotak Mahindra Bank Ltd	1284.71	Property of promoters

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

Amount due to Micro, Small and Medium enterprises:

The Unit identifies the enterprises which have provided goods and services to the Company and which qualify under the definition of Micro, Small and Medium Enterprises (MSME) as defined under Micro, Small and Medium Enterprises development Act, 2006. Accordingly, the disclosure in respect of amount payable to such enterprise as at 31st March 2022 has been made in the financial statements (as disclosed in Note No. 15(a) Trade Payables) on the basis of information received and available with the Company.

Rs.In Lakhs

S.no	Particulars	As at 31st March 2022	As at 31st March, 2021
1	The Principal amount remaining unpaid to suppliers as at the end of the year	56.96	14.48
2	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-
3	The amount of interest paid in terms of section 16, along with the amount of the payment made to the Supplier beyond the appointed day during the year	-	-
4	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-

Amounts due from an officer of the company

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

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

Particulars	31st March, 2022		31st March, 2021	
	Percentage	Value	Percentage	Value
a. Raw Materials				
i. Indigenous	100.00	6,802.31	100.00	39,30.89
ii. Imported	-	-	-	-
	100.00	6,802.31	100.00	39,30.89

28. Financial Instruments- Fair Values and Risk Management

a. Financial Instruments by Categories

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

(Amount in lakhs as of March 31, 2022)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments (Ref Note No.6)	41.38	5.03		46.41	46.41
Cash & Cash Equivalents (Ref Note No. 8)	6.08	-	-	6.08	6.08
Trade Receivable (Ref Note No.7)	1216.69	-	-	1216.69	1216.69
Other Financial Assets (Ref Note No.2)	40.66	-	-	40.66	40.66
Liabilities:					
Trade Payable (Ref Note No.15)	400.41	-	-	400.41	400.41
Borrowings (Ref Note No 12 & 14)	1284.71	-	-	1284.71	1284.71

The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2021:

(Amount in lakhs as of March 31, 2021)

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Investments (Ref Note No.6)	27.12	2.34		29.46	29.46
Cash & Cash Equivalents (Ref Note No. 8)	90.70	-	-	90.70	90.70
Trade Receivable (Ref Note No.6)	1507.82	-	-	1507.82	1507.82
Other Financial Assets (Ref Note No.2)	40.66	-	-	40.66	40.66
Liabilities:					
Trade Payable (Ref Note No.15)	24.93	-	-	24.93	24.93
Borrowings (Ref Note No 12 & 14)	1090.81	-	-	1090.81	1090.81

b. Fair Value Hierarchy

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

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

NARBADA GEMS AND JEWELLERY LIMITED

(Amount in lakhs as at March 31, 2022)

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

(Amount in lakhs as at March 31, 2021)

Particulars	Level 1	Level 2	Level 3	Total	Valuation Technique and key inputs	Significant unobservable inputs
Financial assets						
Security deposits	-	-	40.66	40.66	-	-
Total financial assets	-	-	40.66	40.66	-	-
Financial Liabilities						
Borrowings	-	-	1090.81	1090.81	-	-
Total financial liabilities	-	-	1090.81	1090.81	-	-

c. Financial risk management

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

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

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

a) Market risk

(i) Foreign Exchange Risk

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

Foreign Currency Exposure

(Amount In Lakhs)

Particulars	As at 31st March, 2022 USD	As at 31st March, 2021 USD
Trade and Other Receivables	0.76	3.32

Sensitivity:

As of March 31, 2022 increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately INR 6.77(in Lakhs) respectively.

(ii) Price Risk

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

b) Credit Risk

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

Trade Receivables:

The company has outstanding trade receivables amounting to INR 1216.69 (in lakhs) and INR 1507.82 (in lakhs) as of March 31, 2022 and March 31, 2021 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers.

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

Credit risk exposure:

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

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

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

(As at 31st March 2021, Amount in Rs lakhs)

Particulars	Gross amount	Impairment	Carrying Value
Past due less than 30 days	517.61	-	517.61
Past due more than 30 days but not more than 60 days	795.63	-	795.63
Past due more than 60 days but not more than 90 days	176.26	-	176.26
Past due more than 90 days but not more than 120 days	18.32	-	18.32
Past due more than 120 days	0	-	0
Total	1507.82	-	1507.82

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

Financial assets:

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

(c) Liquidity Risk

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

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

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

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

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

NARBADA GEMS AND JEWELLERY LIMITED**(Amount in Rs in lakhs as of March 31, 2022)**

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	400.41	-	-	-	-	400.41
Short term borrowings (cash credit)*	-	1135.60	-	-	-	1135.60
Long term borrowing	-	-	149.11	-	-	149.11
Total	400.41	1135.60	149.11	-	-	1685.12

*Includes interest accrued on borrowings

(Amount in Rs in lakhs as of March 31, 2021)

Particulars	Less than 6 months	6 months to 1 year	1-3 years	3-5 years	More than 5 years	Total
Trade Payables	24.93	-	-	-	-	24.93
Short term borrowings (cash credit)*	-	879.31	-	-	-	879.31
Long term borrowing	-	211.50	-	-	-	211.50
Total	24.93	1090.81	-	-	-	1115.74

*Includes interest accrued on borrowings

29. Disclosure in respect of Indian Accounting Standard 24 “Related Parties Disclosures”
Related Party Disclosures**A. Key Managerial Personnel (KMP):**

Shri Sanjay Kumar Sanghi	- Managing Director
Shri Bajranglal Agarwal	- Chief Financial Officer
Shri Nitin Agarwal	- Company Secretary (w.e.f 27.08.2020 upto 30.06.2021)
Ms Shivani Rastogi	- Company Secretary (w.e.f 01.07.2021)

B. Non - Executive Directors

Shri Ritesh Kumar Sanghi
Smt. Bhavna Sanghi
Shri Siddharth Goel- Independent
Shri Ramprasad Vempati- Independent
Shri Sunil Garg- Independent

C. Enterprises in which Key Management Personnel has significant influence

Sanghi Jewellers Private Limited
Uday Jewellery Industries Limited

D. Relatives of Key Management Personnel

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

E. Related Party Transaction

Particulars	31st March, 2022	31st March, 2021
Sanghi Jewellers Pvt Ltd:		
Purchase (Net of returns)	10,78,90,250/-	12,63,91,256/-
Sales (Net of returns)	(31,47,748)/-	1,11,43,625/-
Amount Receivable/(Payable) as on	(60,78,373)/-	53,38,480/-
Uday Jewellery Industries Limited:		
Purchase (Net of returns)	-	-
Sales (Net of returns)	1,26,02,332/-	-
Amount Receivable/(Payable) as on	-	-
Rent paid to KMP and Relatives of KMP	39,60,000/-	13,20,000/-*
Salary paid to Relative of KMP	22,50,000/-	-

*For part of the financial year

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

a) Basic EPS

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

(Amount in Rs lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Earnings used in calculation of basic earnings per share(A)	345.87	202.98
Weighted average number of ordinary shares for the purpose of basic earnings per share(B)	160.62	120.66
Basic EPS(A/B)	2.15	1.68

b) Diluted EPS

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

(Amount in Rs lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Earnings used in calculation of basic earnings per share(A)	345.87	202.98
Weighted average number of ordinary shares for the purpose of Diluted earnings per share(B)	188.69	130.74
Diluted EPS(A/B)	1.83	1.55

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

Transitional Provision

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

A. (i) Contracts with customers

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	60,62,86,924	38,00,46,581
Total	60,62,86,924	38,00,46,581

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Impairment Loss	-	-

(ii) Disaggregation of Revenue

Particulars	For the year ended March 31, 2022	As % to Total Revenue	For the year ended March 31, 2021	As % to Total Revenue
Pure Gold	1,30,64,565	2.15%	-	0%
Precious Stones	2,25,704	0.04%	1,91,238	0.05%
Pearls	-	0%	1,940	0%
Studded Gold Jewellery	59,29,96,655	97.81%	37,98,53,403	99.95%
Total	60,62,86,924	100%	38,00,46,581	100%

(iii) Contract Balances Receivables

Particulars	As at March 31,2022	As at March 31,2021
Opening Balance	15,07,82,073/-	12,75,15,334/-
Addition/deduction during the year	(2,91,12,677)/-	23,266,739/-
Closing Balance	12,16,69,396/-	15,07,82,073/-

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.

32. Ratio Analysis

Sl.No.	Ratio Type	Ratio
1	Current Asset Ratio	3.24
2	Debt Equity Ratio	0.35
3	Debt Service Coverage Ratio	5.62
4	Return on Equity Ratio	10.40%
5	Inventory Turnover Ratio	1.70
6	Trade Receivable Turnover Ratio	4.45
7	Trade Payable Turnover Ratio	24.90
8	Net Capital Turnover Ratio	1.69
9	Net Profit Ratio	5.70%
10	Return on Capital Employed	7.81%
11	Return on Investment	25.91%

33. Details of Additional Regulatory Information

i) Details of immovable properties

(Rs. in Lakhs)

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

34. Regrouping:

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

Our Report attached,

For Narbada Gems and Jewellery Limited.,

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

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

**Hyderabad
Date: 23.05.2022**

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

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

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

**Sd/-
Shivani Rastogi
Company Secretary
M. No. 64987**



30th ANNUAL GENERAL MEETING

Day : Monday
Date : 26th September, 2022.
Time : 3:00 P.M.
Mode : Through Video Conferencing (VC) /
Other Audio Visual Means (OAVM).
On www.evotingindia.com.

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