

**34<sup>th</sup> Annual Report**  
**of**  
**Manoj Vaibhav Gems 'N' Jewellers Limited**  
*(Formerly Manoj Vaibhav Gems 'N' Jewellers Private Limited)*

**2022-23**

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## CORPORATE INFORMATION

CIN: U55101AP1989PLC009734

### Board of Directors and KMP

Mrs. Bharata Mallika Rata Kumari Grandhi  
Chairperson & Managing Director



Mrs. Grandhi Sai Keerthana  
Wholetime Director & CFO



Mrs. Grandhi Sai Sindhuri  
Executive Director



Mrs. Sridevi Dasari  
Independent Director



Mr. Adabala Seshagiri Rao  
Independent Director



Mr. Ramesh Babu Nemani  
Independent Director



Mr. Rakhal Gontla  
Chief Operating Officer (COO)



Mr. Bandari Shiva Krishna  
Company Secretary & Compliance officer



**Registered Office**

47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam 530016, Andhra Pradesh, India.

**Corporate Office**

D.No. 47-10-19, 2nd Lane, Dwarakanagar, Visakhapatnam-530016, Andhra Pradesh, India.

**Ph:** +91 891 6634567, **Mail Id.** [cs@vaibhavjewellers.com](mailto:cs@vaibhavjewellers.com) **Website:** [www.vaibhavjewellers.com](http://www.vaibhavjewellers.com).

**Auditors**

❖ **Statutory Auditors**

M/s. Sagar & Associates, Chartered Accountants, Hyderabad

❖ **Secretarial Auditor**

M/s. P.S. Rao & Associates, Company Secretaries, Hyderabad

❖ **Internal Auditor**

M/s. P.A. Naidu & Associates, Chartered Accountants, Visakhapatnam

**Bankers**

- ❖ State Bank of India
- ❖ Union Bank of India
- ❖ HDFC Bank Limited
- ❖ Axis Bank Limited
- ❖ Canara Bank
- ❖ Federal Bank Limited

**Share Transfer Agent****Bigshare Services Private Limited**

306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda Rajbhavan Road, Hyderabad – 500082, India. **Phone No:** 040- 40144582, 9848098088 **Email:** [bsshyd1@bigshareonline.com](mailto:bsshyd1@bigshareonline.com); **Website:** [www.bigshareonline.com](http://www.bigshareonline.com)



## BOARD COMMITTEES

<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committee</b>
Mr. Seshagiri Rao Adabala - Chairperson Mr. Ramesh Babu Nemani - Member Mrs. Sridevi Dasari - Member Mrs. Sai Keerthana Grandhi – Member	Mrs. Sridevi Dasari - Chairperson Mr. Ramesh Babu Nemani - Member Mr. Seshagiri Rao Adabala - Member
<b>Stakeholders’ Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>
Mr. Ramesh Babu Nemani - Chairperson Mr. Seshagiri Rao Adabala - Member Mrs. Sridevi Dasari - Member Mrs. Sai Keerthana Grandhi – Member	Mrs. Bharata Mallika Ratna Kumari Grandhi – Chairperson Mrs. Sai Keerthana Grandhi – Member Mrs. Sai Sindhuri Grandhi - Member Mrs. Sridevi Dasari - Member
<b>Risk Management Committee</b>	<b>IPO Committee</b>
Mrs. Bharata Mallika Ratna Kumari Grandhi – Chairperson Mrs. Sai Keerthana Grandhi – Member Mr. Rakhil Gontla - Member Mr. Ramesh Babu Nemani - Member	Mrs. Bharata Mallika Ratna Kumari Grandhi – Chairperson Mrs. Sai Keerthana Grandhi – Member Mr. Seshagiri Rao Adabala - Member

## SHOWROOMS

### Visakhapatnam

1. V Square, D.No. 47-15-7/2, Railway Station Road, Dwarakanagar, Visakhapatnam- 530 016, Andhra Pradesh, India, Ph: 0891 6667777.

### Gajuwaka

2. D.No.10-7-110/1, Cinema Hall Junction, Main Road, Gajuwaka, Visakhapatnam, 530026, Andhra Pradesh, India, Ph: 0891 6637779.

### Kakinada

3. D.No: 34-1-1, Opp. District Co-Operative Bank, Pulavarthivari Street, Kakinada, 533001, Andhra Pradesh, India, Ph: +91 884 6666610.

### Rajamahendravaram

4. D.No:6-5-85, Opp. Hero Motor bike showroom, Main Road, Tyagaraja Nagar, Rajahmundry, Andhra Pradesh, 533101, India, Ph: 0883 660 1777.

### Anakapalle

5. D.No.11-1-50, Near Sri Kanyakaparameswari Temple, Main Road, Anakapalle, 531001, Visakhapatnam, Andhra Pradesh, India, Ph:90320 77277

### Parvathipuram

6. D.No: 25-1, Near RTC Complex, Main Road, Parvathipuram, Vizianagaram Dist. – 535 501, Andhra Pradesh, India, Ph: 0896 3222 100.

### Bobbili

7. D.No.13-182, Korada Street Jn., Balijipeta Road, Bobbili – 535558, Vizianagaram, Dist, Andhra Pradesh, India, Ph:08008572629

### Gopalapatnam

8. 4-218/6/1, Main Road, Gopalapatnam, Simhachalam, Visakhapatnam-530 027, Andhra Pradesh, India, Ph: 0891 6667777

### Tuni

9. D.No: 6-7-21/8, South Side to Balaji Road, Near Girl's high school, Opposite Balaji Lodge, Tuni, 533401, Andhra Pradesh, India Phone: 99887 51777

**Dilsukhnagar, Hyderabad**

10. D.No.16-11-477, Indira Nagar, Main Road, Dilsukhnagar, Hyderabad, 500 060, Telangana, India, Ph:040 6656 5787

**A.S Rao Nagar, Hyderabad**

11. D.No:1-19-71/A-8/2, Aiswarya Chambers, Above Ratnadeep Super Market, Main Road, Lakshmipuram Colony, Rukminipuri Colony, Dr.AS Rao Nagar, Secunderabad, 500 062, Telangana, India, Ph:040 66132777

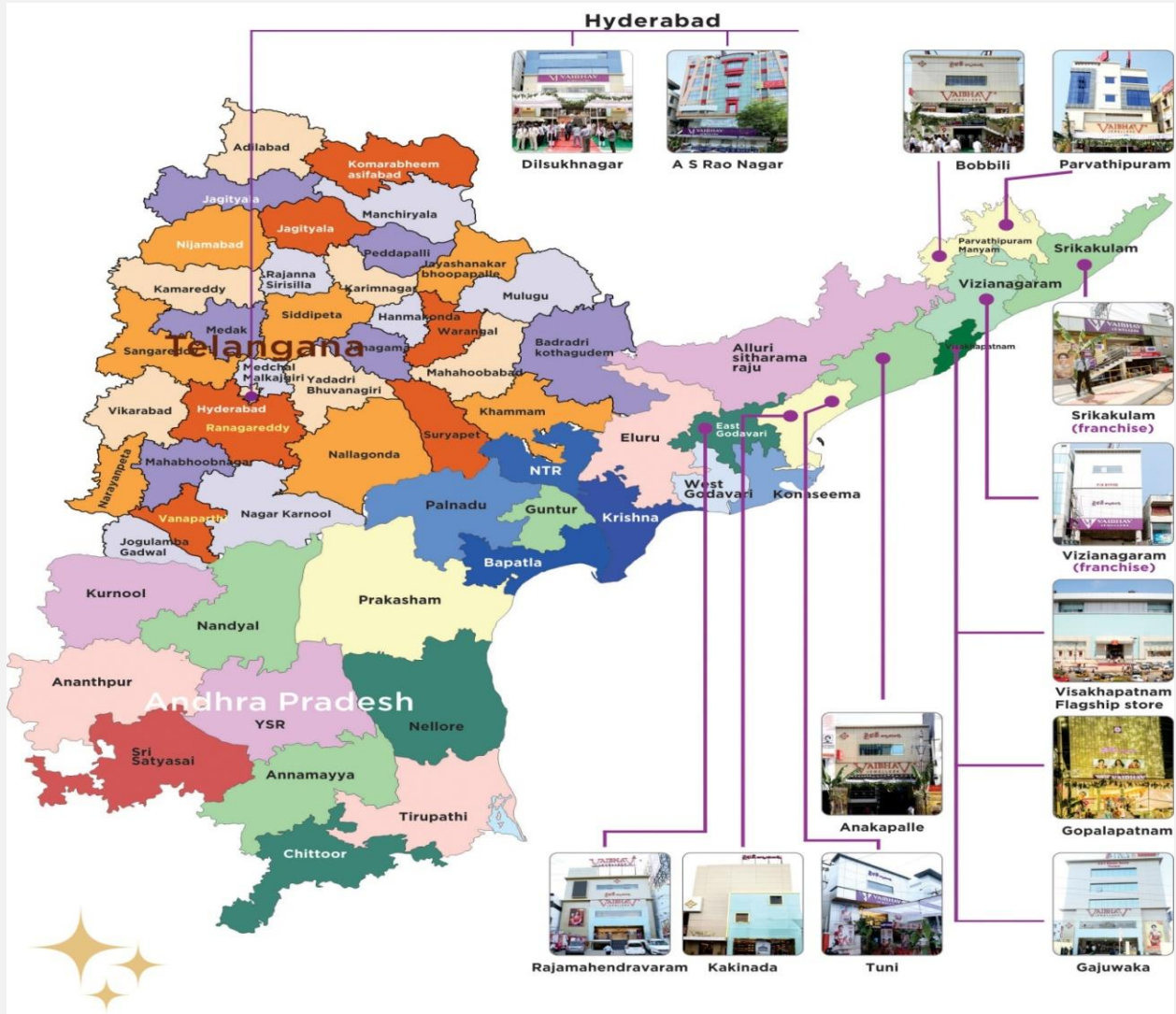
**FRANCHISE STORES****Srikakulam**

1. D.No.11-4-45, Sri Satya Complex, Opp. Hotel Vijetha, GT Road, 7 Road Junction, Srikakulam - 532001, Andhra Pradesh, India, Ph: 99897 63007

**Vizianagaram**

2. D.No.6-8-36, PVS. Empire, Near Sri Kanyaka-parameshwari Temple, MG Road, Vizianagaram – 535001, Andhra Pradesh, India, Ph: 99897 63007

## OUR STORES

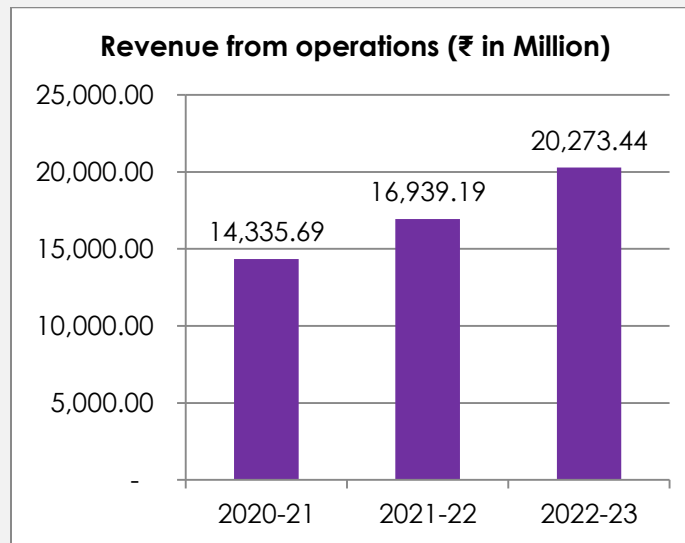


### PERFORMANCE HIGHLIGHT

#### 1. REVENUE FROM OPERATION.

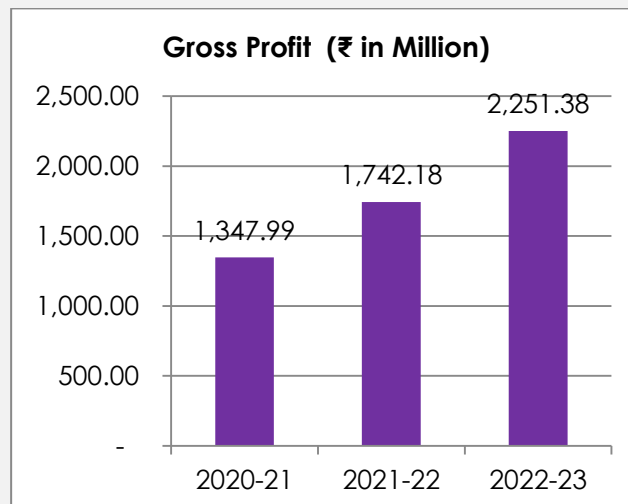
During the Financial year 2022-23 the Company has witnessed the hike in Revenue from operation to ₹ 20,273.44 million from the financial year 2020-21, 2021-22 which was ₹ 14335.69 million and ₹ 16939.19 million respectively.

Also it is noticeable that the Company is witnessing the steady Revenue from operation for last three years and it is also foreseen that the Company will maintain this flow in future.



#### 2. GROSS PROFIT

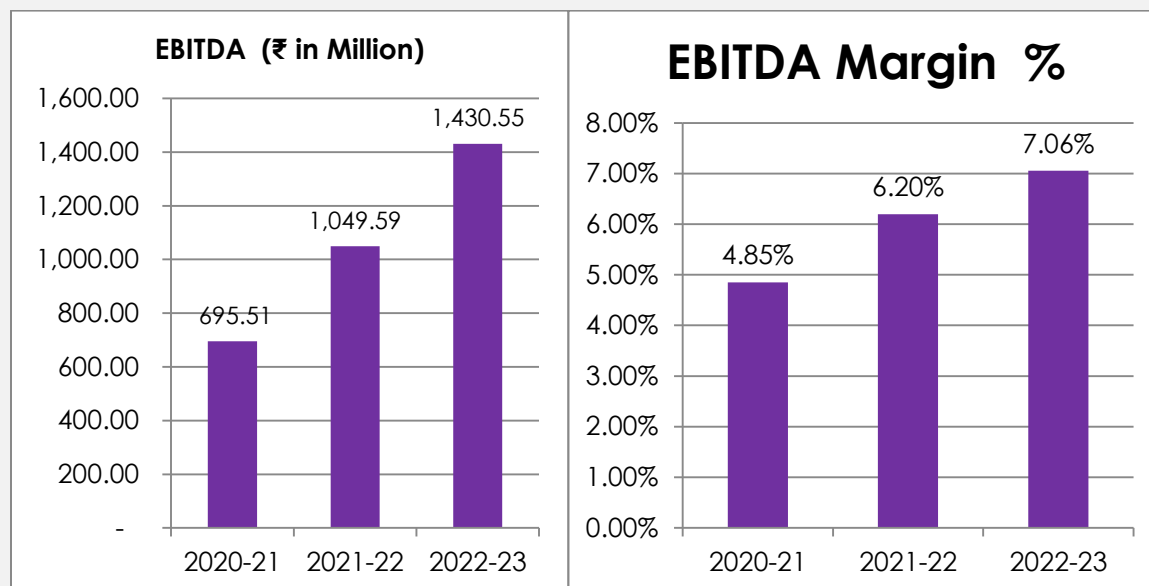
Gross Profit of the Company has increased to ₹ 2,251.38 million for the financial year 2022-23 from the previous year amounting to ₹1,742.18 million. The Company has witnessed a steady growth during the last three Financial year.



### 3. EBITDA

Earnings Before Interest, Tax, Depreciation and Amortization or EBITDA shows the profitability of the Company. The high EBITDA always shows that the Company's potential and ability to generate the Cash Flow.

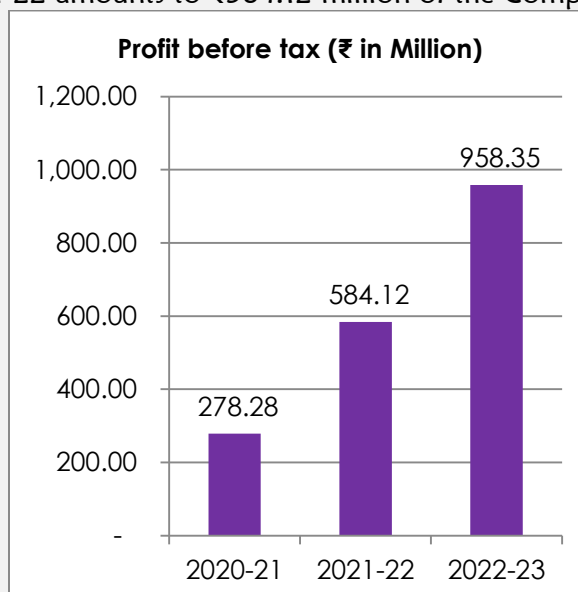
In the Current Financial Year 2022-23 the EBITDA and EBITDA margin of the Company has increased to ₹1,430.55 million and 7.06% respectively from the previous financial year 2021-22, 2020-21.



### 4. PROFIT BEFORE TAX or EARNING BEFORE TAX

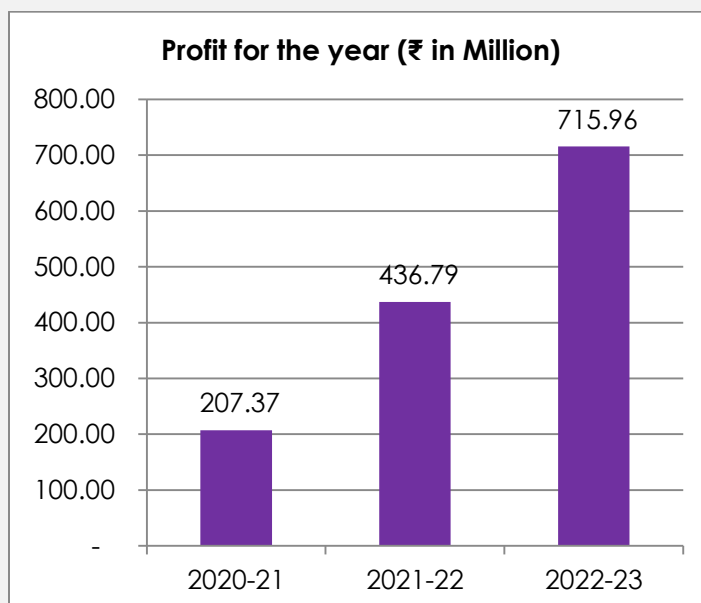
Profit Before tax (here in after referred as PBT) is a measuring parameter to calculate corporate Tax of the Company. Also it can be used as profitability measure that provides for greater comparability among companies who carries similar Business with the Company.

PBT of the Company for the financial year 2022-23 is increased to ₹ 958.35 million as compared to the previous year i.e. 2021-22 amounts to ₹584.12 million of the Company.



## 5. PROFIT FOR THE YEAR

The Company has reported a net profit after tax of ₹715.96 million for the financial year 2022-23 as compared to the previous year 2021-22 i.e. ₹436.79 million. The Company has witnessed a hike in this financial year, due to positive response from the customers.



## NOTICE

**Notice** is hereby given that the **34<sup>th</sup> Annual General Meeting (AGM)** of the members of **Manoj Vaibhav Gems 'N' Jewellers Limited**, CIN: U55101AP1989PLC009734 will be held on Saturday, 30<sup>th</sup> September, 2023 at 10:00a.m. at its Registered office at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Vishakhapatnam, 530016, Andhra Pradesh, India.

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of **Mrs. Sai Sindhuri Grandhi, (DIN: 02795856)**, who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

3. To approve the revision in the remuneration of **Mrs. Bharata Mallika Ratna Kumari Grandhi, Chairperson & Managing Director (DIN- 00492520)**.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act or any other acts, as may be applicable (including any statutory modification(s) or re-enactments thereof for the time being in force), consent of the Members be and is hereby accorded for payment of Rs.21,60,000/- as gross remuneration per month to Mrs. Bharata Mallika Ratna Kumari Grandhi, Chairperson and Managing Director (DIN- 00492520) of the Company, on the terms and conditions as mentioned in the employment agreement dated 12th February, 2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee, if any, thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Managing Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto.

**RESOLVED FURTHER THAT** except for the aforesaid revision in remuneration, all other terms and conditions of her appointment, as Chairperson and Managing Director of the Company as per the Employment Agreement dated 12<sup>th</sup> February, 2022, shall remain unchanged.



**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby authorized, on behalf of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings and filing of necessary forms with concerned Registrar of Companies as may be required to give effect to the aforesaid resolution.”

4. **To approve the revision in the remuneration of Mrs. Sai Keerthana Grandhi Wholetime Director & CFO (DIN- 05211918).**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act or any other acts, as may be applicable (including any statutory modification(s) or re-enactments thereof for the time being in force), consent of the Members be and is hereby accorded for payment of Rs.56,16,000/- as gross remuneration per annum to Mrs. Sai Keerthana Grandhi, Wholetime Director & CFO (DIN: 05211918) of the Company, on the terms and conditions as mentioned in the employment agreement dated 24th February, 2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee, if any, thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Wholetime Director & CFO within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto.

**RESOLVED FURTHER THAT** except for the aforesaid revision in remuneration, all other terms and conditions of her appointment, as Wholetime Director & CFO of the Company as per the Employment Agreement dated 24th February, 2022, shall remain unchanged.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby authorized, on behalf of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings and filing of necessary forms with concerned Registrar of Companies as may be required to give effect to the aforesaid resolution.”

5. **To approve the revision in the remuneration of Mrs. Sai Sindhuri Grandhi, Executive Director (DIN- 02795856).**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** in accordance with the provisions of section 197, 198 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act or any other acts, as may be applicable (including any statutory modification(s) or re-enactments thereof for the time being in force), consent of the

Members be and is hereby accorded for payment of Rs.24,30,000/- as gross remuneration per annum to Mrs. Sai Sindhuri Grandhi Executive Director (DIN-02795856) of the Company, on the terms and conditions as mentioned in the employment agreement dated 24th February, 2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee, if any, thereof be and is hereby authorized to vary and/ or revise the remuneration of the said Executive Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto.

**RESOLVED FURTHER THAT** except for the aforesaid revision in remuneration, all other terms and conditions of her appointment, as Executive Director of the Company as per the Employment Agreement dated 24th February, 2022, shall remain unchanged.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby authorized, on behalf of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings and filing of necessary forms with concerned Registrar of Companies as may be required to give effect to the aforesaid resolution.”

**By order of the Board of Directors**  
**For Manoj Vaibhav Gems 'N' Jewellers Limited**

Sd/-

**Place:** Visakhapatnam  
**Date:** 04.09.2023

Bharata Mallika Ratna Kumari Grandhi  
Chairperson & Managing Director  
DIN: 00492520

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY(S) REGISTERED OFFICE NOT LATER THAN 48 (FORTY EIGHT HOURS) BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
3. Members are requested to notify immediately any change in their address to the company.
4. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
5. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

### Explanatory Statement

(Pursuant to the provision of Section 102 of the Companies Act, 2013)

#### Item No.3

The Board of Directors, on the recommendations of Nomination & Remuneration Committee, at its Meeting held on 09<sup>th</sup> august, 2023 approved the revision in remuneration of Mrs. Bharata Mallika Ratna Kumari Grandhi, Chairperson & Managing Director (DIN- 00492520) by increasing 8% on her existing gross remuneration of Rs.20.00 lakhs per month.

In terms of Schedule V to the Companies Act, 2013, the relevant details are as under:

#### I. General Information

1. Nature of Industry: Manoj Vaibhav Gems 'N' Jewellers Limited is one of the reputed Companies in the gems and jewellery industry. The Company is into the jewellery business, carrying on the business under the brand "Vaibhav Jewellers" in the states of Andhra Pradesh and Telangana. The Company is known for offering unique designs, well crafted, wide variety and quality jewellery. Company is accredited with BIS (Bureau of International Standard) hallmark for gold jewellery, IGI (International Gemological Institute) certified for diamond jewellery and also certified ISO Company.
2. Date of commencement of commercial production: The Company is in operation since 1989.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: **Not Applicable**
4. Financial performance based on given indicators:

(Rs. in Millions except for EPS)

Particulars	2022-23 (Audited)
Profit (Loss) after Tax	715.96
Net Worth (including balance in Profit & Loss Account)	3,445.5
Earnings Per Share (in Rs.)	18.32
Turnover	20,273.44

5. Foreign investments or collaboration, if any. Not Applicable

#### II. Information about the appointee

1. Background details:  
Mrs. Bharata Mallika Ratna Kumari Grandhi has over 24 years of experience in jewellery industry and she has been associated with the Company since 2001. Her in-depth knowledge of jewellery industry has contributed immensely to the growth of our company. The background details and profile of Mrs. G.B.M Ratna Kumari, is stated in "PROFILE OF DIRECTOR" to this Notice

2. Past remuneration:  
The gross remuneration paid to Managing Director is Rs.20.00 lakhs per month
3. Recognition or awards:  
Mrs. G.B.M Ratna Kumari has received a Best Woman Entrepreneur in the Prajadyary Women's Day Awards, 2016, by Prajadyary Magazine, Woman Entrepreneur of the year in the GJTCl Excellence Award, 2016 by GJTCl, Best Women Entrepreneur, 2018 in the Dare To Dream Awards by AP Chamber of Commerce, Retail Ratna Award, 2019 (life style category) by Hans India English Daily, Best Entrepreneur Award by Andhra Jewellery Awards an Initiative by GJC in the year, 2019, Outstanding Business Women Award, 2020 in the PHD Chamber Awards by National Apex Chambers, New Delhi and Entrepreneur of the Year in the Vysya Limelight awards for women 2021 by Vysya Limelight Inc. and was also 'The Art of Jewellery' for her contribution to the Gems and Jewellery Industry on International Women's Day. She was awarded as the "Female Entrepreneur Award" by Red FM-93.5 on July 09, 2022. In the year 2023, she was awarded the 'Industry Legend' award by the Gem and Jewellery Export Promotion Council (GJEPC) during the India International Jewellery Show (IJS) Premier show held on August 03, 2023.
4. Job Profile and suitability:  
Mrs. G.B.M Ratna Kumari, Managing Director of the Company, is highly experienced and looks after the day to day affairs of the Company under the supervision and directions of the Board of Directors of the Company. She has successfully and in a sustained way contributed towards growth in performance of the Company. She is actively involved in business strategy, business development functions of the Company.
5. Remuneration Proposed:  
The Board of Directors at its meeting held on 09<sup>th</sup> August, 2023 approved Rs.21,60,000/- (Rupees Twenty One Lakhs Sixty Thousand only) per month as gross remuneration with effect from 09<sup>th</sup> August, 2023 on the terms and conditions as mentioned in the employment agreement dated 12th February, 2022.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:  
The current remuneration being paid to the Managing Director (looking at the profile of the position and person) is reasonable with respect to size of the Company and the industry in which the Company operates.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:  
Apart from the remuneration and perquisites paid to her as Managing Director as stated above and her shareholding held directly in the Company, she does not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel. With respect to relationship with other director, she is the mother of Mrs. Sai Keerthana Grandhi, Wholetime director & CFO and Mrs. Sai Sindhuri Grandhi, Executive director.

**III. Other Information**
**1. Reasons for inadequate profits, if any, in future.**

At present, the Company is having adequate profits. However the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits as specified, under Section 197(1) read with Schedule V of the Companies Act 2013 and any other applicable provisions, may be exceeded during the term of appointment.

**2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

The Company intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, and increasing penetration in the domestic market, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. With the expected upswing in the economy, the Company is poised to sustain growth momentum in the coming years as well.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is expected to see growth in terms of sales and profits and perform well in future.

**4. Minimum Remuneration: At present, the Company is having adequate profits. However in the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) Mrs. G.B.M Ratna Kumari, Chairperson and Managing Director may be entitled to a minimum remuneration comprising salary, perquisites and benefits, subject to such other approvals as may be necessary.**
**5. The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditor.**
**IV. Disclosures:**

The Board recommends the Resolutions as set out at Item No. 3 of the Notice as Special Resolutions, for approval of the Members.

Except Mrs. Sai Sindhuri Grandhi and Mrs. Sai Keerthana Grandhi, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### BRIEF PROFILE OF DIRECTOR

Name of the Director	Mrs. Grandhi Bharata Mallika Ratna Kumari
Brief resume of the Director including nature of expertise in specific functional areas	Mrs. Bharata Mallika Ratna Kumari Grandhi is a Promoter, and Chairman and Managing Director of the Company. She has over 22 years of experience in jewellery industry, and she has been associated with the Company since 2001. She has completed her Higher Secondary School in the year 1987. Her in-depth knowledge of jewellery industry has contributed immensely to the growth of our company.
Date of First appointment on the Board	23/10/2001
Directorship held in other companies (excluding foreign companies & section 8 companies)	<ol style="list-style-type: none"> <li>1. Vaibhav Jewellers Private Limited</li> <li>2. Harshil Enterprises (India) Private Limited</li> <li>3. Vaibhav Hotels &amp; Leisures ( Visakhapatnam ) Private Limited</li> </ol>
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Inter-se Relationship between Directors	Mrs. Sai Sindhuri Grandhi and Mrs. Sai Keerthana Grandhi are daughters



#### **Item No.4**

The Board of Directors, on the recommendations of Nomination & Remuneration Committee and subject to approval of the shareholders and such other necessary approval(s), as may be required, at its Meeting held on 09<sup>th</sup> august, 2023 approved the revision in remuneration of Mrs. Sai Keerthana Grandhi, Whole-Time Director & CFO (DIN- 05211918) by increasing 8% on her existing gross remuneration of Rs.52,00,000/- per annum.

In terms of Schedule V to the Companies Act, 2013, the relevant details are as under:

#### **V. General Information**

1. Nature of Industry: Manoj Vaibhav Gems 'N' Jewellers Limited is one of the reputed Companies in the gems and jewellery industry. The Company is into the jewellery business, carrying on the business under the brand "Vaibhav Jewellers" in the states of Andhra Pradesh and Telangana. The Company is known for offering unique designs, well crafted, wide variety and quality jewellery. Company is accredited with BIS (Bureau of International Standard) hallmark for gold jewellery, IGI (International Gemological Institute) certified for diamond jewellery and also certified ISO Company.
2. Date of commencement of commercial production: The Company is in operation since 1989.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: **Not Applicable**
4. Financial performance based on given indicators:

(Rs. in Million except for EPS)

Particulars	2022-23 (Audited)
Profit (Loss) after Tax	715.96
Net Worth (including balance in Profit & Loss Account)	3,445.5
Earnings Per Share (in Rs.)	18.32
Turnover	20,273.44

5. Foreign investments or collaboration, if any. Not Applicable

#### **VI. Information about the appointee**

1. Background details:  
 Mrs. Sai Keerthana Grandhi holds bachelor's degree from Andhra University, Andhra Pradesh. She has qualified as a Chartered Accountant from the Institute of Chartered Accounts of India in the year 2015 and is also a member of ICAI. The background details and profile of Mrs. Sai Keerthana Grandhi, is stated in "PROFILE OF DIRECTOR" to this Notice



2. Past remuneration:

The gross remuneration paid to Wholetime Director & CFO was Rs.52.00 lakhs per annum.

3. Recognition or awards:

Mrs. Sai Keerthana Grandhi has received Power of Young – Jewellers, Think Tank by Informa Markets and “Hyderabad Jewellery, Pearl and Gem Fair in association with HJMA & Art of Jewellery as Knowledge partner on 18th October, 2021, at Hyderabad. In the year 2023, she was awarded the ‘Forty under 40’ by the Gem and Jewellery Export Promotion Council (GJEPC) during the India International Jewellery Show (IJS) Premier show held on August 05, 2023

4. Job Profile and suitability:

Mrs. Sai Keerthana Grandhi shall have effective day-to-day management and control of the Company’s business and affairs, subject always to the direction, supervision and control of the Board of Directors of the Company. Without prejudice to the generality of the foregoing, the Director shall undertake and perform such other duties pertaining to the business of the Company as may be decided by the Board of Directors of the Company from time to time

5. Remuneration Proposed:

The Board of Directors at its meeting held on 09<sup>th</sup> August, 2023 approved Rs.56,16,000/- (Rupees Fifty Six Lakhs Sixteen Thousand only) per annum as gross remuneration with effect from 09<sup>th</sup> August, 2023 on the terms and conditions as mentioned in the employment agreement dated 24<sup>th</sup> February, 2022.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid to the Wholetime Director (looking at the profile of the position and person) is reasonable with respect to size of the Company and the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration and perquisites paid to her as Wholetime Director as stated above and her shareholding held directly in the Company, she does not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel. With respect to relationship with other director, she is a daughter of Mrs. G.B.M Ratna Kumari, Chairperson & Managing Director and sister of Mrs. Sai Sindhuri Grandhi, Executive director.

## VII. Other Information

1. Reasons for inadequate profits, if any, in future.

At present, the Company is having adequate profits. However the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the

Companies Act 2013 and any other applicable provisions, may be exceeded during the term of appointment.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:  
 The Company intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, and increasing penetration in the domestic market, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. With the expected upswing in the economy, the Company is poised to sustain growth momentum in the coming years as well.
3. Expected increase in productivity and profits in measurable terms:  
 The Company is expected to see growth in terms of sales and profits and perform well in future.
4. Minimum Remuneration: At present, the Company is having adequate profits. In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) Mrs. Sai Keerthana Grandhi, Wholetime Director & CFO may be entitled to a minimum remuneration comprising salary, perquisites and benefits, subject to such other approvals as may be necessary.
5. The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditor.

#### **VIII. Disclosures:**

The Board recommends the Resolutions as set out at Item No. 6 of the Notice as Special Resolutions, for approval of the Members.

Except Mrs. Bharat Mallika Ratna Kumari Grandhi and Mrs. Sai Sindhuri Grandhi, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### BRIEF PROFILE OF DIRECTOR

Name of the Director	Mrs. Sai Keerthana Grandhi
Brief resume of the Director including nature of expertise in specific functional areas	Mrs. Grandhi Sai Keerthana holds bachelor's degree from Andhra University, Andhra Pradesh. She has qualified as a Chartered Accountant from the Institute of Chartered Accounts of India in the year 2015 and is also a member of ICAI. She has over 10 years of experience and actively involving in the Company operations.
Date of First appointment on the Board	14/02/2012
Directorship held in other companies (excluding foreign companies & section 8 companies)	1. Vaibhav Jewellers Private Limited 2. Harshil Enterprises (India) Private Limited 3. Vaibhav Hotels & Leisures ( Visakhapatnam ) Private Limited
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Inter-se Relationship between Directors	Mrs. Bharata Mallika Ratna Kumari Grandhi – Mother Mrs. Sai Sindhuri Grandhi- Sister

#### **Item No.5**

The Board of Directors, on the recommendations of Nomination & Remuneration Committee and subject to approval of the shareholders and such other necessary approval(s), as may be required, at its Meeting held on 09<sup>th</sup> august, 2023 approved the revision in remuneration of Mrs. Sai Sindhuri Grandhi, Executive Director (DIN- 02795856) by increasing 8% on her existing gross remuneration of Rs.22,50,000/- per annum.

In terms of Schedule V to the Companies Act, 2013, the relevant details are as under:

#### **I. General Information**

1. Nature of Industry: Manoj Vaibhav Gems 'N' Jewellers Limited is one of the reputed Companies in the gems and jewellery industry. The Company is into the jewellery business, carrying on the business under the brand "Vaibhav Jewellers" in the states of Andhra Pradesh and Telangana. The Company is known for offering unique designs, well crafted, wide variety and quality jewellery. Company is accredited with BIS (Bureau of International Standard) hallmark for gold jewellery, IGI (International Gemological Institute) certified for diamond jewellery and also certified ISO Company.
2. Date of commencement of commercial production: The Company is in operation since 1989.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institution appearing in the prospectus: **Not Applicable**

4. Financial performance based on given indicators:

(Rs. in Million except for EPS)

Particulars	2022-23 (Audited)
Profit (Loss) after Tax	715.96
Net Worth (including balance in Profit & Loss Account)	3,445.5
Earnings Per Share (in Rs.)	18.32
Turnover	20,273.44

5. Foreign investments or collaboration, if any. Not Applicable

## II. Information about the appointee

1. Background details:

Mrs. Sai Sindhuri Grandhi has been associated with the Company since 2012. She has completed her graduation in Bachelor of Dental Surgery from the Dr. NTR University of Health Sciences: Andhra Pradesh, in the year 2014 and has registered as a qualified Dentist with the Andhra Pradesh State Dental Council. The background details and profile of Mrs. Sai Sindhuri Grandhi, is stated in "PROFILE OF DIRECTOR" to this Notice

2. Past remuneration:

The gross remuneration paid to Executive Director is Rs.22.50 lakhs per annum.

3. Recognition or awards: NIL

4. Job Profile and suitability:

Mrs. Sai Sindhuri Grandhi shall have effective day-to-day management and control of the Company's business and affairs, subject always to the direction, supervision and control of the Board of Directors of the Company. Without prejudice to the generality of the foregoing, the Director shall undertake and perform such other duties pertaining to the business of the Company as may be decided by the Board of Directors of the Company from time to time.

5. Remuneration Proposed:

The Board of Directors at its meeting held on 09<sup>th</sup> August, 2023 approved Rs.24,30,000/- (Rupees Twenty Four Lakhs Thirty Thousand) per annum as gross remuneration with effect from 09<sup>th</sup> August, 2023 on the terms and conditions as mentioned in the employment agreement dated 24<sup>th</sup> February, 2022.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The current remuneration being paid to the Managing Director (looking at the profile of the position and person) is reasonable with respect to size of the Company and the industry in which the Company operates.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:

Apart from the remuneration and perquisites paid to her as Wholetime Director as stated above and her shareholding held directly in the Company, she does not have any pecuniary relationship directly or indirectly with the Company and its managerial personnel. With respect to relationship with other director, she is a daughter of Mrs. G.B.M Ratna Kumari, Chairperson & Managing Director and sister of Mrs. Sai Keerthana Grandhi, Wholetime director & CFO.

### **III. Other Information**

1. Reasons for inadequate profits, if any, in future.

At present, the Company is having adequate profits. However the future trend in the profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole. Therefore, the limits specified under Section 197(1) read with Schedule V of the Companies Act 2013 and other acts/regulations, may be exceeded during the term of appointment.

2. Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company intensified its efforts for further improvement in the operating parameters, optimum utilization of working capital, conservation of energy, rationalization of product mix, cutting down on overheads, and increasing penetration in the domestic market, etc. to ensure that the Company stays on the course of sustainable growth trajectory and profitability. With the expected upswing in the economy, the Company is poised to sustain growth momentum in the coming years as well.

3. Expected increase in productivity and profits in measurable terms:

The Company is expected to see growth in terms of sales and profits and perform well in future.

4. Minimum Remuneration: In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any Financial Year(s) Mrs. Sai Sindhuri Grandhi, Executive Director may be entitled to a minimum remuneration comprising salary, perquisites and benefits, subject to such other approvals as may be necessary.

5. The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditor.

### **IV. Disclosures:**

The Board recommends the Resolutions as set out at Item No. 7 of the Notice as Special Resolutions, for approval of the Members.

Except Mrs. Bharat Mallika Ratna Kumari Grandhi and Mrs. Sai Keerthana Grandhi, none of the Directors, Key Managerial Personnel or their relatives are concerned or

interested, financially or otherwise, in the Resolution except to the extent of their shareholding, if any, in the Company.

### BRIEF PROFILE OF DIRECTOR

Name of the Director	Mrs. Sai Sindhuri Grandhi
Brief resume of the Director including nature of expertise in specific functional areas	She has been associated with the Company since 2012. She has completed her graduation in Bachelor of Dental Surgery from the Dr. NTR University of Health Sciences: Andhra Pradesh, in the year 2014 and has registered as a qualified Dentist with the Andhra Pradesh State Dental Council.
Date of First appointment on the Board	28/01/2012
Directorship held in other companies (excluding foreign companies & section 8 companies)	NIL
Membership/ Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Inter-se Relationship between Directors	Mrs. Bharata Mallika Ratna Kumari Grandhi – Mother Mrs. Sai Keerthana Grandhi - Sister

**Manoj Vaibhav Gems 'N' Jewellers Limited**

CIN: U55101AP1989PLC009734

**Regd. Office:** 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar,  
 Visakhapatnam, AP-530016

**Proxy Form (MGT-11)**
*(Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014)*

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No./DPID No /Client ID No: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Manoj Vaibhav Gems 'N' Jewellers Limited, hereby appoint:

1. Name:: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or failing him

2. Name:: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

Or failing him

3. Name:: \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

 as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting to be held on Saturday, 30<sup>th</sup> September, 2023 at 10:00 a.m. at the Registered office at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam AP 530016, and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sai Sindhuri Grandhi, (DIN: 02795856), who retires by rotation and being eligible, offers herself for re-appointment.
3. To approve the revision in the remuneration of Mrs. Bharata Mallika Ratna Kumari Grandhi, Chairperson & Managing Director (DIN- 00492520).
4. To approve the revision in the remuneration of Mrs. Sai Keerthana Grandhi Wholetime Director & CFO (DIN- 05211918).
5. To approve the revision in the remuneration of Mrs. Sai Sindhuri Grandhi Executive Director (DIN- 02795856).

Signed this..... day of..... 20.....

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

*Affix  
Revenue  
Stamp*

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



**Manoj Vaibhav Gems 'N' Jewellers Limited**

CIN: U55101AP1989PLC009734

**Regd. Office:** 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar,  
Visakhapatnam, AP-530016.**ATTENDANCE SLIP**

(To be presented at the entrance)

I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the Company held at its registered office at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam, AP-530016, on Saturday, 30<sup>th</sup> September, 2023 at 10:00 a.m.

Folio No. \_\_\_\_\_ DP. ID. No. \_\_\_\_\_ Client ID

No. \_\_\_\_\_

Name of the Member \_\_\_\_\_

Signature \_\_\_\_\_

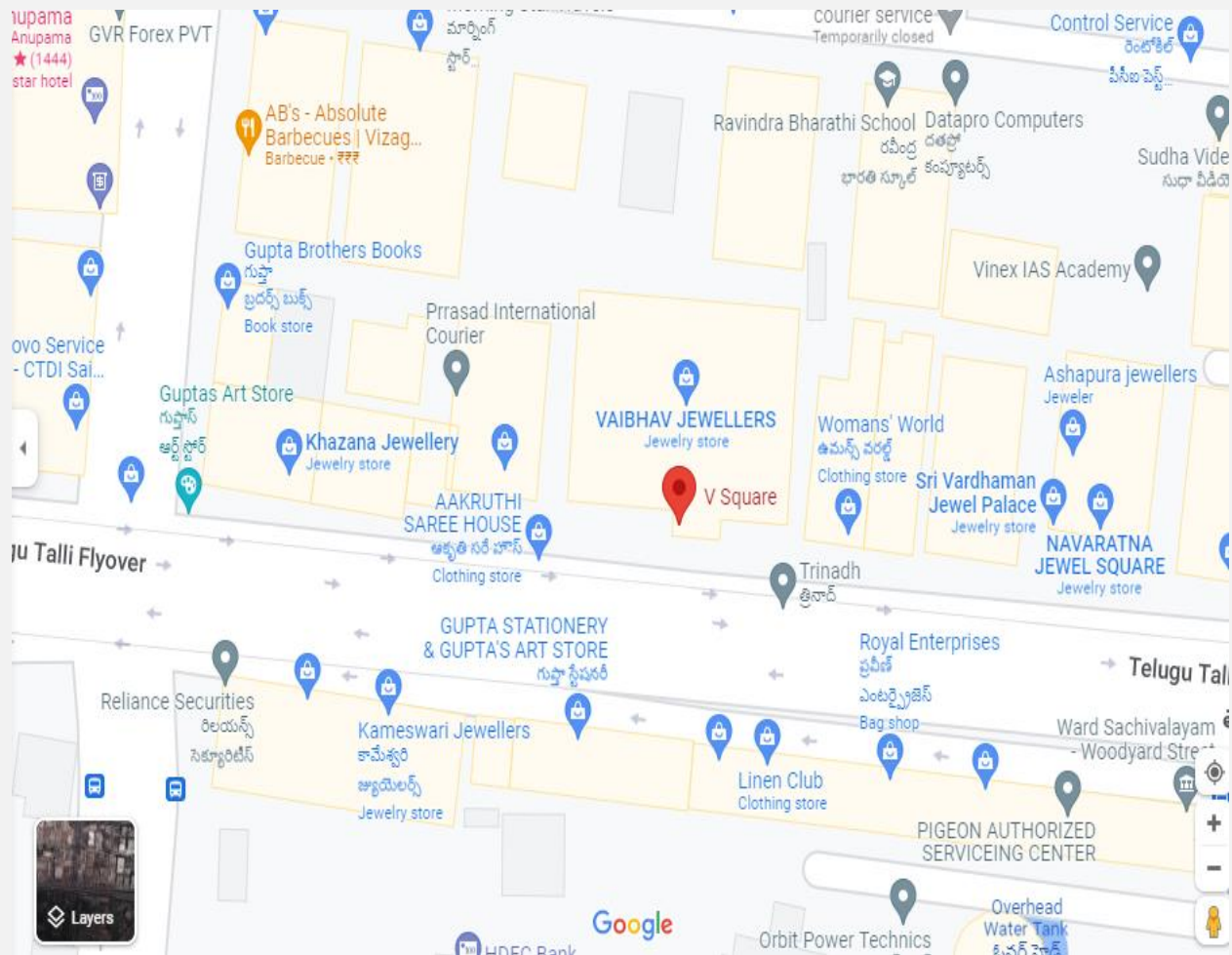
Name of the Proxy holder \_\_\_\_\_

Signature \_\_\_\_\_

### ROUTE MAP

Address for Annual General Meeting:- **47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam 530016.**

The location for above address along with the link is given below.



Link of the route map: <https://goo.gl/maps/jcMD51ZpEDRpfBoM7>

<b>Details Of Directors Seeking Appointment / Re-appointment at the Annual General Meeting            [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)            Regulations, 2015]</b>	
Name of the director	Sai Sindhuri Grandhi
DIN	02795856
Designation	Executive Director
Educational Qualification	She has completed her graduation in Bachelor of Dental Surgery from the Dr. NTR University of Health Sciences: Andhra Pradesh, in the year 2014 and has registered as a qualified Dentist with the Andhra Pradesh State Dental Council.
Directorships held in other companies	Nil
Date of first appointment on the Board	28.01.2012

## DIRECTORS' REPORT

To,  
The Shareholders,

Your Directors are pleased to present the 34<sup>th</sup> Annual Report on the business and operations of your Company along with the Audited Financial Statements for the Financial Year 2022-23.

### **FINANCIAL SUMMARY/HIGHLIGHTS, OPERATION:**

The financial performance of your Company for the year ended 31st March, 2023 is summarized below:

(₹ in millions)		
Particulars	Current Financial year 2022-23	Previous Financial year 2021-22
Revenue from Operations	20273.44	16939.19
Other Income	39.60	37.80
<b>Total Revenue</b>	<b>20313.03</b>	<b>16,976.98</b>
<b>Profit/loss before Depreciation, Finance Costs, Exceptional items and tax Expense(EBIDTA)</b>	<b>1470.15</b>	<b>1087.39</b>
Less: Depreciation / Amortization / Impairment	85.61	86.94
<b>Profit/loss before Finance Costs, Extraordinary items and tax Expense</b>	<b>1384.54</b>	<b>1000.45</b>
Less: Finance Costs	426.19	416.33
<b>Profit/loss before Exceptional items and tax Expense</b>	<b>958.35</b>	<b>584.12</b>
Add/ (Less): Extraordinary items	-	-
<b>Profit/loss before tax Expense (PBT)</b>	<b>958.35</b>	<b>584.12</b>
Less: Tax Expense (Current & Deferred)	242.38	147.32
<b>Profit/loss for the year</b>	<b>715.96</b>	<b>436.79</b>
Earning Per Equity share		
a. Basic	18.32	44.91
b. Diluted	18.32	44.91

### **1. STATE OF THE COMPANY'S AFFAIRS**

The Company prepared its financial statements in accordance with applicable accounting principles in India, the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India to the extent applicable.

During the year your Company has opened a new showroom at Tuni on 12<sup>th</sup> May, 2022. Your Company has also launched purchase advance scheme on 01<sup>st</sup> June, 2022, to support customers who would prefer to buy certain jewellery, through accumulating advances over the period of 11 months in equal tranches.

During the year under review, total revenue from retail jewellery sales has grown to ₹20273.44 million from ₹16939.19 million in the previous year i.e. an increase of 19.68% in retail operations. The Company consistently concentrating on retails sale of jewellery with an object to maximize the profits. Thus, the total Revenue of the Company stood at ₹20313.03 Million as compared to

₹16976.98 Million in the previous year 2021-22 and thus the Company registered a growth of 19.65% in the financial year 2022-23.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) for the financial year 2022-23 is **₹1430.55** Million and Profit before Tax (PBT) for the year under review was **₹ 958.35** Million as compared to EBITDA of **₹ 1049.59** Million and Profit before Tax (PBT) **₹ 584.12** Million reported last year. Net Profit of the Company for the year under review is **₹715.96** Million as compared to previous year Net Profit of **₹ 436.79** Million.

In order to compete in the changing market conditions, Company focused and is continuing to focus on its core business expansion viz., Jewellery business. A focused approach and unique strategy was adopted for the retail jewellery business with the objective of achieving higher growth and profitability. Various strategic initiatives such as optimization of cost focused sales strategy, design specifics and regular performance improvement initiatives contributed to an impressive performance by your Company both in terms of revenue and profitability.

The Company, as part of its expansion plans, decided to raise the funds through Initial public offering (IPO) of equity shares of the Company and has filed Draft Red Herring Prospectus with Securities and Exchange Board of India (SEBI) on September 05, 2022 and the Securities and Exchange Board of India has issued the Observation Letter on 02<sup>nd</sup> December, 2022.

## 2. TRANSFER TO RESERVE

The Board of Directors has decided to retain the entire amount of profit for financial year 2022-23 in the Statement of Profit & Loss as at March 31, 2023. With a view to conserve the resources of the Company, the Directors of the Company have not recommended any dividend for the financial year 2022-23.

## 3. NATURE OF BUSINESS

There has been no change in the nature of business of your Company during the period under review.

## 4. DIVIDEND

No interim or final dividend is declared for the financial year 2022-23 due to conservation of profits by the company.

## 5. SHARE CAPITAL

The Authorised Capital of your Company is ₹550.00 Million comprising 5,50,00,000 equity shares of ₹10 each as on 31<sup>st</sup> March, 2023. During the Financial Year 2022-23 the Capital clause of Memorandum of Association of the Company has amended by increase the Authorised Capital from Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) TO Rs.55,00,00,000 (Rupees Fifty Five Crores) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each.

The Paid-up Equity Share Capital of your Company as on 31<sup>st</sup> march, 2023 is ₹390.80 Million comprising of 3,90,80,000 equity shares of ₹10 each. During the year under review, your Company has issued 2,93,10,000 fully paid Bonus Equity Shares in the ratio of 3:1 (i.e. Three new Fully paid Equity Shares for 1 Equity Share held) to the existing shareholders of the Company by capitalizing the Reserves of the Company in compliance with the provisions of Companies Act, 2013.

## 6. BOARD MEETINGS

During the year under review 12 (Twelve) Board Meetings were held and the maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

## 7. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNELS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the period under review\* following changes were taken place in the office of Directors or Key Managerial Personnel's,

- ❖ Mr. Gontla Rakhal, was appointed as Chief Operating Officer (COO) of the Company with effect from 01.04.2022.
- ❖ Mrs. Sridevi Dasari (DIN: 07512095), Mr. Ramesh Babu Nemani (DIN: 08089820) and Mr. Adabala Seshagiri Rao (DIN: 09608973) were appointed as Independent Directors with effect from 26.07.2022 for a period of 5 years.
- ❖ Mrs. Sai Keerthana Grandhi, Whole- time Director was also appointed as Chief Financial Officer (CFO) with effect from 02.08.2022.
- ❖ Mr. Bandari Shiva Krishna, Company Secretary was redesignated as Company Secretary & Compliance Officer of the Company with effect from 02.08.2022 during the period under review.
- ❖ Mrs. Sai Keerthana Grandhi, Whole- time Director & CFO (DIN: 05211918) retired by rotation in the previous AGM held on 30.09.2022 and was reappointed thereat.

\* Apart from the aforementioned, there was no change in the office of Director / KMPs of the Company during the FY 2022-23. However Mr. Satish Ramanujakoodam has resigned from the office of Chief Executive Office on 31st July, 2023.

## 8. COMMITTEES COMPOSITIONS & MEETINGS

### a. Audit Committee

Your Company has constituted the Audit Committee in accordance with Section 177 of Companies Act 2013 and other applicable provisions in its Board Meeting held on 02<sup>nd</sup> August, 2022. The composition of Audit Committee is as follows:

Sl No.	Name of the Members	Designation in Committee
1.	Mr. Adabala Seshagiri Rao Independent Director	Chairperson
2.	Mr. Ramesh Babu Nemani Independent Director	Member
3.	Mrs. Sridevi Dasari Independent Director	Member

4.	Mrs. Sai Keerthana Grandhi Whole-Time Director & CFO	Member
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The Committee met thrice during the Period under review and all the Members of the Committee were present throughout the Meeting.

**b. Nomination & Remuneration Committee**

Your Company has constituted the Nomination & Remuneration Committee in accordance with Section 178 of Companies Act 2013 and other applicable provisions, in its Board Meeting held on 02<sup>nd</sup> August, 2022. The composition of Nomination & Remuneration Committee is as follows:

Sl No.	Name of the Members	Designation in Committee
1.	Mrs. Sridevi Dasari Independent Director	Chairperson
2.	Mr. Ramesh babu Nemani Independent Director	Member
3.	Mr. Adabala Seshagiri Rao Independent Director	Member

The Committee met once during the Period under review and all the Members of the Committee were present throughout the Meeting.

**c. Stakeholders Relationship Committee**

Your Company has constituted the Stakeholders Relationship Committee in accordance with Section 178 of Companies Act 2013 and other applicable provisions, in its Board Meeting held on 02<sup>nd</sup> August, 2022. The composition of Stakeholders Relationship Committee is as follows:

Sl No.	Name of the Members	Designation in Committee
1.	Mr. Ramesh babu Nemani Independent Director	Chairperson
2.	Mrs. Sridevi Dasari Independent Director	Member
3.	Mr. Adabala Seshagiri Rao Independent Director	Member
4.	Mrs. Sai Keerthana Grandhi Whole-Time Director & CFO	Member

The Committee met once during the Period under review and all the Members of the Committee were present throughout the Meeting.

**d. Risk Management committee**

Your Company has constituted the Risk Management Committee in its Board Meeting held on 02<sup>nd</sup> August, 2022. The composition of Risk Management Committee is as follows:

Sl No.	Name of the Members	Designation in Committee
--------	---------------------	--------------------------



1.	Mrs. Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director	Chairperson
2.	Mrs. Sai Keerthana Grandhi Whole-Time Director & CFO	Member
3.	Mr. Ramesh babu Nemani Independent Director	Member

The Committee met once during the Period under review and all the Members of the Committee were present throughout the Meeting.

**e. Corporate Social Responsibility Committee**

Your Company has reconstituted the Corporate Social Responsibility Committee, in accordance with section 135 of Company's Act 2013 and other applicable provisions, in its Board Meeting held on 02<sup>nd</sup> August, 2022. The composition of Corporate Social Responsibility Committee is as follows:

Sl No.	Name of the Members	Designation in Committee
1.	Mrs. Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director	Chairperson
2.	Mrs. Sai Keerthana Grandhi Whole-Time Director & CFO	Member
3.	Mrs. Sai Sindhuri Grandhi Executive Director	Member
4.	Mrs. Sridevi Dasari Independent Director	Member

The Committee met twice during the Period under review and all the Members of the Committee were present throughout the Meeting.

**f. IPO Committee**

Your Company during the period under review has constituted IPO Committee. The Composition of the Committee is as follows:

Sl No.	Name of the Members	Designation in Committee
1.	Mrs. Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director	Chairperson
2.	Mrs. Sai Keerthana Grandhi Whole-Time Director & CFO	Member
3.	Mr. Adabala Seshagiri Rao Independent Director	Member

**9. BOARD EVALUATION, NOMINATION AND REMUNERATION POLICY:**

As per the provisions of Companies Act 2013, and other applicable Provisions, the annual Performance evaluation has carried out by the Board of its own performance, the Directors individually as well as evaluation of the working of its Committees on 28<sup>th</sup> March, 2023.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**



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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **11. DECLARATION BY INDEPENDENT DIRECTOR UNDER SECTION 149(6)**

The Company has received the Declaration by Independent Directors affirming that they fulfill all the criteria as stipulated under Section 149(6) of Companies Act, 2013, to qualify as Independent Director as per Section 149 of Companies Act, 2013 and other applicable provisions.

All the Independent Directors of the Company have confirmed that they have registered themselves with the Indian Institute of Corporate Affairs ('IICA') towards the inclusion of their names in the data bank and they meet the requirements of proficiency self-assessment test.

#### **12. EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 and, i.e., Form MGT-7 along with attachments is placed on the website of the Company. The link for the website is as follows <https://www.vaibhavjewellers.com/investor-relations>.

#### **13. CORPORATE GOVERNANCE**

With reference to 'point No 1' to this report, your Company is in the process of undertaking IPO of its equity shares and eventually get its shares listed on the Stock Exchanges. In view of the said, it has complied with the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereafter known as Listing Regulations), to the extent feasible and applicable. Pursuant to the said, a Report on Corporate Governance for the financial year 2022-23 is enclosed as Annexure – V.

**14. AUDITORS**
**a. Statutory Auditors**

The Members of the Company at its 32<sup>nd</sup> Annual General Meeting held on 30th November, 2021 appointed M/s. Sagar & Associates, Chartered Accountants, (Firm Registration Number: 0035105 and Peer Review No 011975) as Statutory Auditors of the Company, to hold the office for a period of five years from the conclusion of 32<sup>nd</sup> Annual General Meeting i.e. from the financial year 2021-22 till the conclusion of 37<sup>th</sup> Annual General Meeting to be held in the financial year 2025-26.

**b. Internal Auditors.**

Pursuant to the provisions of Section 138 your Company has reappointed M/s. V N S S & Associates, (Firm Reg.No: 0183675), Chartered Accountants, Hyderabad as Internal Auditor of the company for the financial year 2022-23.

**c. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. P.S. Rao & Associates, Company Secretaries in Practice, Hyderabad conducted Secretarial Audit and issued the Secretarial Audit report for the financial year 2022-23. The Secretarial Audit Report i.e. MR-3 for the financial year ended 31<sup>st</sup> March, 2023, is annexed herewith as **Annexure- "I"** which forms a part of this Report.

**15. AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report and the secretarial auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

**16. 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 your 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).

**17. COST AUDIT**

The provisions under Section 148 (1) of Companies Act, 2013 and Rules made thereunder with relation to maintaining cost records are not applicable to your Company.

**18. CORPORATE SOCIAL RESPONSIBILITY(CSR)**

In compliance with Section 135 of the Act, the Company has constituted a CSR Committee, formulated CSR policy and undertaken CSR activities, projects and programs as provided in the CSR Policy of the Company and as per the Annual Action Plan. A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as **Annexure – II**.

**19. RELATED PARTY TRANSACTIONS**

Related party transactions entered during the financial year under review are disclosed in Note No. 47 to the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023.

The requisite details of the related party transactions are provided as **Annexure –III** to this report in the format of AOC-2 in compliance with section 188 of Companies Act, 2013. Suitable disclosure as required by the Ind AS -24 has been made in the notes to the Financial Statements.

All Related Party Transactions were placed before the Board for approval/approval of shareholders, wherever required.

## **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

The information required under Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of The Companies (Accounts) Rules, 2014 are given hereunder:

### **A. Conservation of Energy**

Your Company is committed to conserve the energy in a more efficient and effective manner. As part of energy conservation, the company has installed solar panels and has implemented various in house Green energy saving initiatives.

#### **➤ Rajamahendravaram showroom – Solar Panels**

Solar Panels have been installed in Rajamahendravaram showroom to save energy, resulting which your Company has saved 23,046 kvah, which amounts to ₹2,85,770 in the financial year 2022-23. Accordingly your company was able to reduce Carbon emission (CO<sub>2</sub>) to around 24 Tons in the financial year 2022-23.

#### **➤ V Square - Smart Building Management System and Others**

Your Company has installed Smart Building Management System, Smart Energy Meters, Flow meters and Temperature Sensors, New energy efficient cooling system, Energy efficient Condenser Water Pumps, Energy efficient Chilled Water Pumps, Load based operation using VFD (Variable Frequency Drives), High Side Optimization, Mitigation of water quality issues, High Side Optimization, Installation of pH meter and TDS meter, Low Side Optimization, VFDs for AHUs and Energy Efficient Lighting and Ventilation, at its flagship store at Visakhapatnam i.e. V Square.

The above mentioned equipments enabled the Company to save energy of around 5,53,815 kvah, which amounts to ₹ 65,40,555 and reduced Carbon Emission (CO<sub>2</sub>) upto 576 tons in the financial year 2022-23.

### **B. Technology Absorption**

Your Company has not carried out any research and development activities during the year. The company uses indigenous developed software for its operations.

### **C. Foreign Exchange Earnings and Outgo:**

- i) Foreign Exchange earned in terms of actual inflows: ₹ 47.44 Lakhs
- ii) Foreign Exchange Outgo in terms of actual outflows: NIL

## **21. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT:**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report and the secretarial auditor's report does not contain any qualifications, reservations, or adverse remarks or disclaimer.

## **22. PUBLIC DEPOSITS**

The Company has not accepted any public deposits under Section 73 & 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

## **23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loans, guarantees or made investments as per the provision of **Section 186** of the Companies Act, 2013 during the financial year 2022-23.

## **24. MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31<sup>st</sup> March, 2023 to which the financial statements relates and the date of signing of this report.

## **25. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators or Courts or Tribunals during the period impacting the going concern status and the company's operations in future.

However, the Company has voluntarily made an application to the Regional Director, South East Region for Compounding of offence under Section 297 of the Companies Act, 1956 vide SRN: F22567291. The offence was compounded by the Regional Director subject to payment of compounding fee of Rs.10,000/- by the Company and Rs.10,000/- by Mrs. Bharata Mallika Ratna Kumari Grandhi, Managing Director. Subsequently the same has been paid by the Company and the Managing Director.

## **26. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

Your Company does not have any subsidiary, Joint venture or Associate Companies.

## **27. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM**

Pursuant to Section 177(9) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014, Company established a Vigil Mechanism System and adopted a Whistle Blower Policy for directors and employees to enable them to report their concerns about unethical behavior, actual or suspected fraud, malpractices, or violation of the Company's code of conduct without any fear and Mrs. Sai Keerthana Grandhi, Wholetime Director has been appointed as Vigilance Officer to oversee the Vigil Mechanism System in the Company.

## **28. POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE**

Your Company strongly supports the rights of all its employees to work in an environment that is free from all forms of harassment. The Company has zero tolerance for sexual harassment at

workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The Policy aims to provide protection to employees at workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, to enquire into complaints of sexual harassment and recommend appropriate action. During the year under review, there were no Complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **29. SECRETARIAL STANDARD**

The Company has complied with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

## **30. INSOLVENCY AND BANKRUPTCY CODE, 2016 & STATUS THEREOF**

During the year under review, neither any application was made nor does any proceeding stand pending under the Insolvency and Bankruptcy Code, 2016, as on 31st March, 2023.

## **31. DETAILS OF DIFFERENCE BETWEEN THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF**

Not applicable (As there were no instances of one-time settlement with the Banks or financial institutions during the year under review)

## **32. RISK MANAGEMENT POLICY**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. At present the company has not identified any element of risk which may threaten the existence of the company.

## **33. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies. The Company has appointed Internal Auditor to regularly carry out review of the internal control systems and procedures.

## **34. ACKNOWLEDGEMENTS**

Your Directors take this opportunity to place on record their appreciation for the co-operation and support extended by all stakeholders including Shareholders, employees, customers, Bankers, vendors, Suppliers, investors, media, communities and other Business Associates.

Your Directors also wish to place on record their deep sense of gratitude and appreciation for all the employees at all levels for their hard work, cooperation and dedication, commitment and their contribution towards achieving the goals of the Company.

Your Directors also thank the Government of India, State Governments of Andhra Pradesh & Telangana, Governments of various States in India and concerned government departments/agencies for their co-operation.

By order of the Board of Directors  
For **Manoj Vaibhav Gems 'N' Jewellers Limited**

Sd/-

**Place:** Visakhapatnam

**Date:** 04<sup>th</sup> September, 2023.

Bharata Mallika Ratna Kumari Grandhi  
Chairperson & Managing Director  
(DIN: 00492520)

**Annexure I**

**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**for the financial year ended 31<sup>st</sup> March, 2023**

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

To,  
 The Members,  
**Manoj Vaibhav Gems ‘N’ Jewellers Limited**  
 47-15-8, V Square, Zone-A, Opp: TSR Complex,  
 Station Road, Dwarakanagar,  
 Visakhapatnam, 530016, Andhra Pradesh.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **Manoj Vaibhav Gems ‘N’ Jewellers Limited** (hereinafter referred to as “the Company”). The Company on 13.05.2022 has converted from Manoj Vaibhav Gems ‘N’ Jewellers Private Limited to Manoj Vaibhav Gems ‘N’ Jewellers Limited.

The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder; (*Not applicable to the Company*).
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings; (*Not applicable to the Company*).
- 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(*Not applicable to the Company*);



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015(*Not applicable to the Company*);
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (*Not applicable to the Company*);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (*Not applicable to the Company*);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (*Not applicable to the Company*);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (*Not applicable to the Company*); and
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (*Not applicable to the Company*);

**vi. Other specifically applicable laws to the Company:**

- The Legal Metrology Act, 2009
- The Employees' State Insurance Act, 1948
- The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Maternity Benefit Act, 1961
- Andhra Pradesh Shops & Establishments Act, 1988
- The Workmen's Compensation Act, 1923
- Bureau of Indian Standard (BIS) (Hallmarking)
- Standard Weights & Measures Act
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- The Electricity Act, 2003
- The Contract Labour (Regulation and Abolition) Act, 1970.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.



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 observation.

- *There were few instances where the Company filed forms and returns required to be filed with the Registrar of Companies with additional fee.*

**We further report that:**

- i. The Board of Directors of the Company is duly constituted as per the provisions of the Companies Act, and Rules made there under. The changes in the composition of the Board of Directors that took place during the period under review were carried out in accordance with the provisions of the Act.
- ii. Adequate notice was 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.
- iii. All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that during the Financial Year 2022-23:**

- i. *The Company has converted from **Manoj Vaibhav Gems 'N' Jewellers Private Limited** to **Manoj Vaibhav Gems 'N' Jewellers Limited** vide special resolution passed by the members of the Company at their Extra-Ordinary General Meeting held on 30.04.2022 and fresh certificate of Incorporation issued by the Registrar of Companies, Vijayawada, Andhra Pradesh on 13.05.2022.*
- ii. *The Company has shifted its Registered office address from 7A-9-21, Main Bazar, Eluru, 534001, Andhra Pradesh, India to **V Square, Zone – A, 47-15-8, Opp: TSR Complex, Dwarakanagar, Visakhapatnam, 530016 Andhra Pradesh, India**, vide special resolution passed by the members of the Company at their Extra-Ordinary General Meeting held on 26.07.2022.*
- iii. *Mr. Gontla Rakhal, was appointed as Chief Operating Officer (COO) of the Company with effect from 01.04.2022, Mrs. Sridevi Dasari (DIN: 07512095), Mr. Ramesh Babu Nemani (DIN: 08089820) and Mr. Adabala Seshagiri Rao (DIN: 09608973) were appointed as Independent Directors with effect from 26.07.2022 for a period of 5 years. Mrs. Sai Keerthana Grandhi, Whole-time Director was also appointed as Chief Financial Officer (CFO) with effect from 02.08.2022 and Mr. Bandari Shiva Krishna, Company Secretary was redesignated as Company Secretary & Compliance Officer of the Company with effect from 02.08.2022.*
- iv. *The Authorised share capital of the Company was increased from Rs.10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) **TO** Rs.55,00,00,000 (Rupees Fifty-Five Crores) divided into 5,50,00,000 (Five Crore Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each vide ordinary resolution passed by the members of the Company at their Extra-Ordinary General Meeting held on 10.08.2022.*
- v. *The Company has altered the object clause III(A) and III(B) to Memorandum of Association of the Company vide special resolution passed by the members of the Company at their Extra-Ordinary General Meeting held on 30.04.2022 and also the Company has altered the Article of Association*

*by inserting new Article 107A after article 107 vide special resolution passed by the members of the Company at their Extra-Ordinary General Meeting held on 10.08.2022*

- vi. *The Board of Directors of the Company at its meeting held on 02.08.2023 approved for issue of 2,93,10,000 fully paid Bonus Equity Shares in the ratio of 3:1 (i.e. Three new Fully paid Equity Shares for 1 Equity Share held) to the existing shareholders of the Company by capitalizing the Reserves of the Company in compliance with the provisions of Companies Act, 2013 and the members of the Company at their extra ordinary general meeting held on 10.08.2022 approved the same by passing ordinary resolution and the Board of Directors of the Company at its meeting held on 12.08.2023 allotted 2,93,10,000 fully paid Bonus Equity Shares.*
- vii. *The Company has filed DRHP with SEBI on 05<sup>th</sup> September, 2022 to raise funds through IPO, subsequently the Company has received SEBI Final Observation on 02.12.2022.*
- viii. *During the Financial Year 2022-23, the company has to spend CSR expenditure of Rs.81.84 lakhs towards CSR obligation under section of the Companies Act, 2013 out of which Rs.8.19 lakhs has been spent during the year and the balance Rs.73.65 lakhs has been transferred to unspent CSR Account on 27.04.2023.*
- ix. *During the Financial Year 2022-23, the Company has voluntarily made an application to the Regional Director, South East Region for Compounding of offence under Section 297 of the Companies Act, 1956 vide SRN: F22567291. The offence was compounded by the Regional Director subject to payment of compounding fee of Rs.10,000/- by the Company and Rs.10,000/- by Mrs. Bharata Mallika Ratna Kumari Grandhi, Managing Director. Subsequently the same has been paid by the Company and the Managing Director.*

**We 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.

**P.S. Rao & Associates**  
 Company Secretaries

Sd/-

**P.S. Rao**  
 Partner

C.P. No.: 3829

UDIN: F010322E000938535

Peer Review No: 710/2020

Place: Hyderabad

Date: 04<sup>th</sup> September, 2023

*Note: This Report is to be read with our letter of even date which is annexed as 'Annexure- A' and forms an integral part of this Report.*

***‘Annexure-A’***

To  
 The Members,  
**Manoj Vaibhav Gems ‘N’ Jewellers Limited**  
 47-15-8, V Square, Zone-A, Opp: TSR Complex,  
 Station Road, Dwarakanagar,  
 Visakhapatnam, 530016, Andhra Pradesh.

**Our report of even date is to be read along with this letter.**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
3. We have followed the audit practises and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
5. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
6. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
7. We have not verified the correctness and appropriateness of financial records and Books and Accounts of the Company.

**P.S. Rao & Associates**  
 Company Secretaries

Sd/-

**P.S. Rao**  
 Partner

C.P. No.: 3829

UDIN: F010322E000938535

Peer Review No: 710/2020

Place: Hyderabad  
 Date: 04<sup>th</sup> September, 2023

**Annexure II**
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**  
(Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

**1. A Brief outline of the Company's CSR policy**

To actively contribute to the social and economic development of the communities in which we operate and in the process, build a better, sustainable way of life for the weaker sections of society, and to contribute effectively towards inclusive growth and raise the country's human development index. Our projects mainly focus on education, healthcare, sustainable livelihood, infrastructure development and social reform, epitomizing a holistic approach to inclusive growth.

**2. Composition of the CSR Committee**

The Board reconstituted CSR Committee in its Meeting held on 02.08.2022 as per the provisions of the Companies Act, 2013 and entrusted the responsibility to comply with the provisions of said act. The composition of the Corporate Social Responsibility Committee is as under:

Name of the Director	Designation	Membership
Mrs. G.B.M Ratna Kumari	Chairperson & Managing Director	Chairperson
Mr. Grandhi Sai Keerthana	Wholetime Director	Member
Mrs. Grandhi Sai Sindhuri	Executive Director	Member
Mrs. Sridevi Dasari	Independent Director	Member

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. <https://www.vaibhavjewellers.com>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

S.No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
NIL			

- Average net profit of the company as per section 135(5): **409.19Crores**

**7.**

(a) Two percent of average net profit of the	<b>81.84 lakhs</b>
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company as per section 135(5)	
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year	NIL
(c) Amount required to be set off for the financial year, if any	NIL
(d) Total CSR obligation for the financial year (7a+7b-7c).	<b>81.84 lakhs</b>

**8.**

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
8.19 lakhs	73.63 lakhs	27-04-2022	NA	NA	NA

 (b) Details of CSR amount spent **against ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1	Student Welfare -2022-23	Education	Yes	Andhra Pradesh & Telangana	Local Area	3 years (excluding current financial year)	12.28 lakhs	5.12 lakhs	7.15 lakhs	Direct/Indirect	NA	NA
2	Health Care & other	HealthCare	Yes	Andhra Pradesh &	Local Area	3 years (excluding current financial year)	12.28 lakhs	2.66 lakhs	9.62 lakhs	Direct/Indirect	NA	NA

	medical infrastructure-2021-22			Telangana		current financial year)				t		
3	Rural Development-2021-22	Rural Development Projects	Yes	Andhra Pradesh & Telangana	Local Area	3 years (excluding current financial year)	57.28 lakhs	0.41 lakhs	56.87 lakhs	Direct/Indirect	NA	NA
							81.84 lakhs	8.19 lakhs	73.65 lakhs			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation on -Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District.			Name	CSR registration number.
	-	-	-	-	--	-	-	-	-

(d) Amount spent in Administrative Overheads :NIL

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year :**8.19 lakhs**  
(8b+8c+8d+8e)

(g) Excess amount for set off, if any : NIL

9.

a) Details of Unspent CSR amount for the preceding three financial years:

Sl.No.	Preceding Financial Year	Amount Transferred to Unspent CSR account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under schedule VII as per Section 135 (6), if any			Amount Remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
1	FY 2019-20 (\$)	-	-	-	-	-	-
2	FY 2020-21	63.10 lakhs	1.50 lakhs	-	-	-	39.73 lakhs

3	FY 2021-22	70.28 lakhs	NIL	-	-	-	70.28 lakhs
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b) Details of CSR amount spent in the financial year for ongoing projects for the preceding financial year(s):

c)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	-	Student Welfare	FY 2020-21	3 years (excluding the financial year 2020-21)	40.00 lakhs	-	-	Ongoing
2	-	Health Care & other medical infrastructure	FY 2020-21	3 years (excluding the financial year 2020-21)	26.30 lakhs	1.50 lakhs	1.50 lakhs	Ongoing
3	-	Rural Development	FY 2020-21	3 years (excluding the financial year 2020-21)	9.00 lakhs	-	-	Ongoing

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was Commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	-	Student	FY 2021-22	3 years	40.00	-	-	Ongoing

		Welfare		(excluding the financial year 2020-21)	lakhs			
2	-	Health Care& other medical infrastructure	FY 2021-22	3 years (excluding the financial year 2020-21)	26.30 lakhs	-	-	Ongoing
3	-	Rural Development	FY 2021-22	3 years (excluding the financial year 2020-21)	9.00 lakhs	-	-	Ongoing

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
- Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): During the year under review, the Company was under an obligation to spend ₹81.83 lakhs towards CSR. Accordingly, an amount of ₹8.19 lakhs was spent for various CSR activities as aforementioned. The balance amount of ₹73.65 lakhs was earmarked for ongoing projects was transferred to unspent CSR account opened for this purpose.

Sd/-

**G.B.M. Ratna Kumari**  
 Chairperson, CSR Committee  
 DIN: 00492520

Sd/-

**Sai Keerthana Grandhi**  
 Whole Time Director & CFO  
 DIN:05211918

**Place:** Visakhapatnam

**Date:** 04<sup>th</sup> September, 2023.



**Annexure III**
**DETAILS OF RELATED PARTY TRANSACTIONS**
**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 arm's length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2023, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

The details of material contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2023, which were at arm's length basis are as follows:

S. N o.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Justification for entering into such contracts or arrangements or transactions
1	Bharata Mallika Ratna Kumari Grandhi ( <b>HUF</b> ) (Holds more than 25% of the Share Capital)	Sale of Jewellery	ongoing	Sale of Jewellery ₹3737.52 million	23.04.2022	NIL	The Company and Bharata Mallika Ratna Kumari Grandhi (HUF) are both in the same line of business; Transactions are entered in the ordinary course of business
		Rental Income	5 years; From 01/04/2020	Rental Income of ₹1.18 million	23.04.2022	NIL	Part of the Company's premises leased to Bharata Mallika Ratna Kumari Grandhi ( <b>HUF</b> ) for its

							business purpose.
		Royalty	ongoing	Royalty ₹ 0.12 million	23.04.2022	NIL	Royalty is received from Bharata Mallika Ratna Kumari Grandhi ( <b>HUF</b> ) for the use of Company's Trade Marks "Vaibhav Jewellers"
2	Manoj Vaibhav Jewellers Private Limited.	Sale of Jewellery	ongoing	Sale of Jewellery ₹ 0.96million	23.04.2022	NIL	Transactions entered in the ordinary course of business
3	Mrs. Grandhi Krishna Kumari (Mother in Law of CMD)	Rental expenses	5years; from 01/04/2023	Rental expenses ₹ 0.31million	23.04.2022	NIL	A part of undivided Property of Mrs. Grandhi Krishna Kumari, being taken on lease to run company's business
		Rental expenses	5years; from 01/04/2023	Rental expenses ₹ 0.31million	23.04.2022	NIL	A part of undivided Property of Mrs. Grandhi Krishna Kumari, being taken on lease to run company's business
		Rental expenses	5years; from 01/04/2020	Rental expenses ₹ 0.25million	23.04.2022	NIL	A part of undivided Property of Mrs. Grandhi Krishna Kumari, being taken on lease to run company's business
4	Vaibhav Jewellers Private Limited	Sale of Jewellery	ongoing	Sale of Jewellery ₹6.32 million	23.04.2022	NIL	Transactions entered in the ordinary course of business
		Purchase of Jewellery	ongoing	Purchase of Jewellery ₹1.76million	23.04.2022	NIL	Transactions entered in the ordinary course of business

By order of the Board of Directors  
For **Manoj Vaibhav Gems 'N' Jewellers Limited**

Sd/-

Bharata Mallika Ratna Kumari Grandhi  
Chairperson & Managing Director  
(DIN: 00492520)

**Place:** Visakhapatnam  
**Date:** 04<sup>th</sup> September, 2023.

Annexure IV

MANAGEMENT DISCUSSION AND ANALYSIS

**1. Gems and Jewellery - Industry Overview**

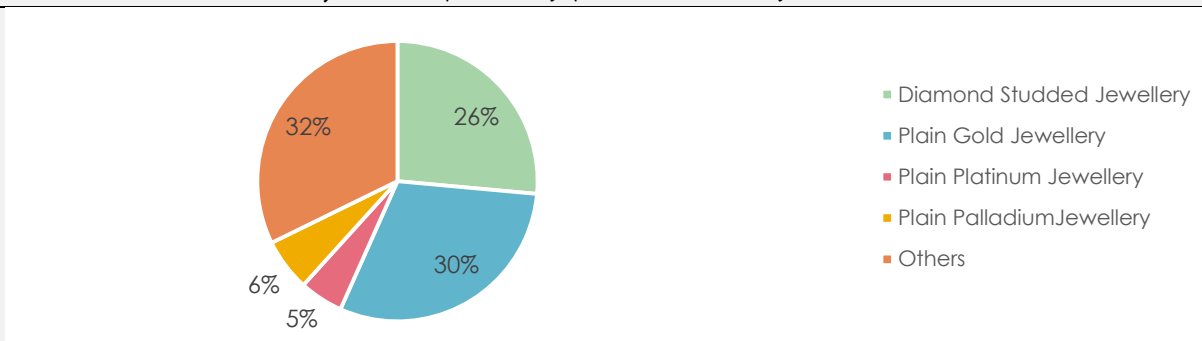
Gold is a precious metal which is shiny, metallic, and melts easily into bars, coins, or jewellery. Gold like no other commodity has held the fascination of human society since the beginning of the recorded time of the world. As societies developed, gold was universally accepted as a satisfactory form of payment in the medium of exchange. It has emotional, cultural and financial value and different people across the globe buy gold for different reasons often influenced by a range of national socio-cultural factors, local market conditions and wider macro-economic drivers.

The gems & jewellery market comprises diamond studded jewellery, gold jewellery, silver jewellery and precious and semi-precious gemstones and its jewellery. United States (US) and Japan primarily are markets for diamond studded jewellery, while China, India, Turkey and Middle East have traditionally displayed preference for gold jewellery, although the demand for diamond studded jewellery from these markets too have grown over the last decade.

**2. Overview of Global Jewellery Market\***

The global jewellery market is estimated at \$340.7 billion in CY 2022 and is a significant contributor to the world economy. . It is also for centuries is an expression of creativity, status, and exclusivity. Diamond and gold are two precious items contributing more than 50% of the global jewellery market. USA, China, and India are the top three markets in the global jewellery market with different pecking order in diamond and gold jewellery market. India in addition to being a big market also plays a significant role in the supply chain of both gold and diamond jewellery market.

*Exhibit 3.1: Global Jewellery Market (CY2022) (~USD 340.7 Bn)*



*Source: Secondary research, Technopak Analysis*

*Others include – Gemstones, Coloured Gems, Fashion Jewellery etc.*

*\*Source Technopak Advisors Pvt. Ltd.*

### 3. Indian Gems and Jewellery Industry

The gems and jewellery industry occupies an important position in the Indian market as well as in economy. It is a leading foreign exchange earner, and one of the fastest growing industries in the country.

The two major segments of the sector in India are gold jewellery and diamonds. Gold jewellery forms around 80 per cent of the Indian jewellery market, with the balance comprising fabricated studded jewellery that includes diamond and gemstone studded jewellery. Besides, India is world's largest cutting and polishing Industry for diamonds, well supported by government policies and the banking sector. A predominant portion of the gold jewellery manufactured in India is consumed in the domestic market. However, a major portion of the rough, uncut diamonds processed in India is exported, either in the form of polished diamonds or finished diamond jewellery. The largest consumer of gold worldwide, our country is one of the leading diamond cutting nations in the world.

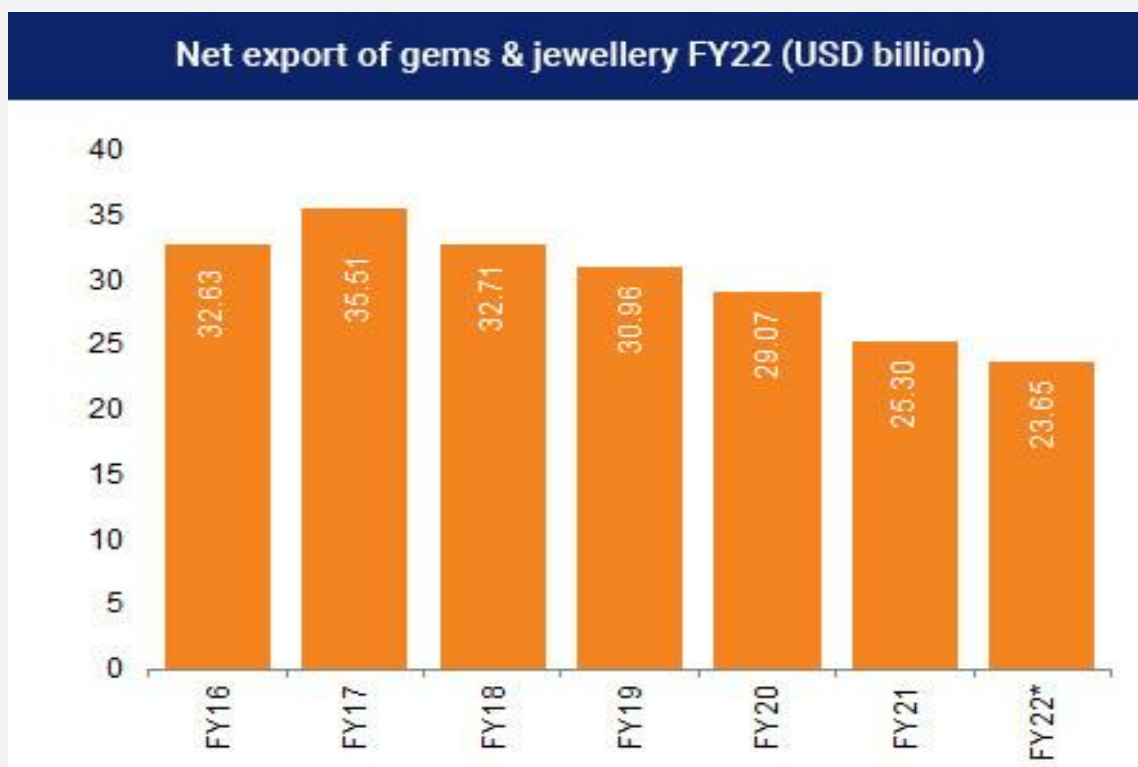
Costume/Fashion Jewellery was estimated to register a sale of ~USD 3.4 Bn in FY 2023 in India contributing almost 5% in the Indian jewellery market and is growing steadily at a CAGR of 16% for the next 4 years to register a sale of ~USD 6.2 Bn in 2027. The organized fashion jewellery market in India is only 2 decades old and there are a handful of brands operating in this space. The gems and jewellery industry plays a vital role in the Indian economy. It contributes about 6-7 percent of the GDP and employs over 2.5 million workers. (Source FICCI)

#### **Market size**

The Indian Gems and Jewellery Market stood at USD78.50 billion in FY2021 and is expected to grow with a CAGR of 8.34% in the forecast years, FY2023-FY2027, to achieve a market value of USD119.80 billion by FY2027. *(Source: Research & markets)* Growth in exports is mainly due to revived import demand in the export market of the US and fulfilment of orders received by numerous Indian exhibitors during the Virtual Buyer-Seller Meets (VBSMs) conducted by GJEPC.

India's gems and jewellery exports reached US\$ 37.95 billion in 2022-23, witnessing a rise from the previous year. In April 2022, India's overall gems and jewellery exports were at US\$ 3.23 billion. The Government of India is aiming at US\$ 70 billion in jewellery export in the next five years (until 2025), up from US\$ 35 billion in 2020.

Costume/Fashion Jewellery was estimated to register a sale of ~USD 3.4 Bn in FY 2023 in India contributing almost 5% in the Indian jewellery market and is growing steadily at a CAGR of 16% for the next 4 years to register a sale of ~USD 6.2 Bn in 2027. The organized fashion jewellery market in India is only 2 decades old and there are a handful of brands operating in this space. *(Source: Technopak Report)*



India has 10 SEZs for Gems & Jewellery that are home to over 500 manufacturing units which contribute 30% (\$10.62 billion) of the country's total exports. The SEZ locations are: Mumbai, Surat, Jaipur, Delhi, Kolkata, Visakhapatnam, Hyderabad, Chennai, Cochin and Noida. (Source: GJEPC)

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.

Gem & Jewellery Export Promotion Council (GJEPC) welcomed the move to increase the duty on articles of gold/silver and platinum from 20 per cent to 25 per cent as per Union Budget 2023, While maintaining the Customs duty for gold at 10 per cent, finance minister Nirmala Sitharaman proposed to increase the import duty on silver dore, bars and articles to 10 per cent to align them with that on gold and platinum. (Source: Business Standard , GJEPC)

#### 4. Investments/Developments

Cumulative FDI inflows in diamond and gold ornaments in India stood at US\$ 1,213.05 million between April 2000-March 2022, according to the Department for Promotion of Industry and Internal Trade (DPIIT).

Some of the key developments in this industry are listed below:

- In May 2021, GJEPC (*the Gem Jewellery Export Promotion Council*) and Embassy of India, Morocco, co-hosted the 'India Global Connect' to better understand the present business climate in the gems and jewellery sector and seek trade prospects for manufacturers, exporters and importers from both countries.
- The Gem & Jewellery Export Promotion Council (GJEPC) successfully kick started its first International Gems and Jewellery Show (IGJS) outside the country, in Dubai, from August 14-16, 2021. IGJS Dubai is supported by Dubai Gold and Jewellery Group, and co-sponsored by International Gemological Institute Pvt. Ltd. (IGI).
- In June 2021, the World Gold Council and Gem and Jewellery Export Promotion Council signed an agreement to promote gold jewellery in India. Under the agreement terms, both partners will jointly fund a multi-media marketing campaign that would aim to increase awareness, relevance and adoption of gold jewellery amongst Indian consumers, especially in millennials and Gen Z.

## 5. Import Trend

Open General License (OGL) scheme introduced by government in 1997 allowed banks to import gold in India. The RBI authorizes banks for importing gold. The foreign trade policy (FTP) regulates agencies which are licensed by the DGFT for gold import. Banks import gold on a consignment basis, whereas nominated agencies such as STHs (Star Trading Houses) and PTHs (Premier Trading Houses) are only allowed to import gold on a direct payment basis. Gold is imported in India through 11 airports that are close to key jewellery manufacturing and trading hubs namely:

- North: New Delhi
- West: Mumbai, Ahmedabad, Jaipur
- South: Bengaluru, Chennai, Cochin, Coimbatore, Hyderabad, Trivandrum
- East: Kolkata

India imported 706 tonnes in CY 2022 as compared to 1,067.72 tonnes of gold in CY 2021. India's average monthly gold imports during April 2022-February 2023 stood at 58.33 tonnes, which is lower than the average gold imports of 76.57 tonnes in April 2021-February 2022, 80.86 tonnes in April 2018-February 2019 and 62.88 tonnes in April 2019-February 2020. (Source: Technopak Report)

Exhibit 5.2: Import from Major Countries in India (In tonnes)

Countries	2019	2020	2021	% Growth (2019-21)
Switzerland	354.58	164.92	469.55	32.4
UAE	74.33	42.46	120.16	61.6
South Africa	36.05	23.97	71.68	98.8
Guinea	5.62	14.93	58.72	944.8
Peru	48.56	29.11	49.53	1.9
Others	317.24	154.72	298.08	-6.0
Total	836.38	430.11	1,067.72	27.6

Source: GJEPC

## 6. Company Overview

MANOJ VAIBHAV GEMS 'N' JEWELLERS LIMITED ("MVGJNL") leading jewellery Company in the states of Andhra Pradesh and Telangana based at Vishakhapatnam, Andhra Pradesh. "MVGJNL" is one of the reputed Companies, running the jewellery business from 1994. The Company's business is sale of retail jewellery. The Company runs the business in its brand name i.e. Vaibhav Jewellers through physical jewellery stores and online sales from the website of the Company, Amazon and Flipkart. MVGJNL offers a very wide range of products in Gold Jewellery, Diamond Jewellery Platinum jewellery and articles and silver jewellery and articles. our USP is "VAIBHAV is Relationships, By Design". Vaibhav Jewellers is a household name in the states of Andhra Pradesh and Telangana having wide customer base. The Company has kept its values in terms of Best Service to Clients, implementing Business Ethics and Caring for Society, Employee Empowerment, and Considering the Organization as a Family. Presently Company is carrying on its retail gems and Jewellery business with 11 showrooms and 2 Franchise Store across the states of Andhra Pradesh and Telangana as well as through online.

MVGJNL is one among the pioneer of the Jewellery branding and retailing revolution in the state of Andhra Pradesh and Telangana, is currently one of the fastest growing Jewellery businesses across India and abroad.

## 7. COVID 19 impact

The COVID-19 pandemic situation has led to a negative impact on the sales of gems and Jewellery sector in India. During the pandemic, consumption priorities of consumers saw a significant change, as consumers shifted to need-based products and services. Moreover, the pandemic resulted in widespread disruption of supply chain across the country.

## 8. SCOT ANALYSIS

### Opportunities & Threats

**Opportunities:** There is a huge opportunity to move the gold business from unorganized trade to organized trade in many countries including India and China. The announcement by the ministry of consumer affairs on mandatory hallmarking ensures that the purity standards stipulated by BIS are strictly implemented. The decision will make the jewellery trade organized.

To help jewellers comply with the compulsory hallmarking norms, the government has authorised a number of assaying marking agencies to carry out gold purity testing and issue purity level certificates. As per the rule, every hallmarked article should have the BIS hallmark label along with purity of gold clearly mentioned. In addition, names of the hallmarking agency should also be compulsorily mentioned on jewellery. The detailed label will help the law enforcement agencies track all the participants involved in the hallmarking process in case of any wrongdoing. Currently, the hallmarked gold jewellery and artefact have a six digit unique identification number (HUID) as well.

The organized segment has tremendous growth prospects wherein sale of hallmarked jewellery safeguards the consumer interest. It's a historic phase in the mission to safeguard rights of the buyers of gold jewellery. Compulsory hallmarking will empower the consumers and root out retail malpractices under which a section of unscrupulous retailers deceive gullible customers with jewellery made of inferior quality of gold under the garb of discounted price.



The organized segment has tremendous growth prospects. Growing consciousness of branded jewellery, increasing purchasing power in the Tier I & II locations, and increasing demand for diamond jewellery are major opportunities for the next 10 to 15 years.

**Rise in e-commerce:** During the covid-19 pandemic has accelerated digitization of consumers. The constantly evolving digitalization in India has changed the entire approach of the business model. The Indian E-commerce market is expected to grow to US\$ 111.40 billion by 2025 from US\$ 46.2 billion as of 2020. By 2030, it is expected to reach US\$ 350 billion. The online business model has accelerated many industries and the jewellery industry is no exception to this. The online jewellery industry is a growing industry. In the coming years, it will continue to grow at a steady pace, and competition is expected to become more intense as technology advances. The Indian jewellery industry has witnessed immense growth in the online retail jewellery business. The customer experience, easy return and shipping policies, hallmark and security certifications, offers and cashback and superior quality products are the major factors driving the growth of the online jewellery market.

Retailers across categories are moving towards online channel to expand their offerings, to have a place in the 'Omni-channel Ecosystem' where all channels of retailing are essential to reach to the consumers. The lines between offline and online retailing are blurring gradually, whereby consumers connect with brands through any medium of their preference. A purchase made by a consumer is often a mix of various mediums. E.g., A consumer searching online and reading reviews about a product before making a purchase decision, then going to an offline store to look and experience the product, and the eventual purchase could be through either of the channels. This makes presence across mediums essential of retailers to connect with the consumer at every touch point.

**Company's e-commerce platform and online sales:** Company has started selling jewellery online from the year 2018 by accepting online orders through Company website [www.vaibhavjewellers.com](http://www.vaibhavjewellers.com). Our brand made its virtual presence across India by offering free domestic shipment within India. Company has also tied up with AMAZON and FLIPKART for selling jewellery online. Company's offers on its website to the customers, the 'Live Video Shopping' and/or 'Virtual Try-on' by browsing through the website and submitting basic contact details. 'Live Video Shopping' facility which has state-of-the-art technology thereby providing a near real shopping experience to Customer(s), from any part of the world. We have also developed & designed our website that can be easily navigated serving as a strong starting point to display of our huge collection. To push online sales that would transcend beyond Southern boundaries and make a strong case for pushing the brand to other micro-markets as well as states. Our e-commerce platform is user friendly and easy to access, allowing our customers to have a seamless experience while navigating the portal. Customers can have virtual shopping experience of all stocks and get delivery of the ordered jewellery at their doorstep. Revenue from the e-commerce platform have increased from ₹41.66 million in the Financial year 2019 to ₹363.97million in the Financial year 2023 which forms 1.80% percentage of our total revenue from operations.

**Digital Marketing:** Company is actively present across major social media platforms like Facebook, Instagram, Twitter, YouTube and Pinterest. Communication regarding upcoming promotional offers and festive offers are shared through social media platform. In addition to regular updates, seasonal and special campaigns are also used to share specific offers to target audience. Company has a dedicated public blog, maintained by in-house team, is available which has all updated information about latest jewellery designs, tips about jewellery maintenance, knowledge sharing content exclusively related to jewellery, etc.

**Threats:** Changes in government regulations pertaining to taxation and banking stringent norms will affect import and export of gold products and also affect the demand and supply chain. Economic



slowdown can affect the demand and the sales for the company. The increase in the gold prices, due to global economic /political factors will have an impact on the performance of the Company.

## **STRENGTHS**

**Experience:** The Company has over 25 years of experience in running Jewellery business and has grown from single store in 1994-1995 to thirteen stores in the year of 2021-2022 spreading over Andhra Pradesh and Telangana. Four generations of business lineage, knowledge & expertise in this domain has been a key to the group's success. Now the Company is in to the planning to expand the business operation in coming financial year and subsequently.

**Reputation:** The Company emerged as Customer Preferred Jewellery Company within two and half decades of existence in the states of Andhra Pradesh and Telangana. Vaibhav is a name that has earned the trust of millions of consumers. Vaibhav has created new benchmarks – be it in providing choice, design, service or quality – by building a deep relation with its customers and surprising them every time by surpassing their expectations on all counts.

**Strategic Locations:** The Company operates from different locations namely, Visakhapatnam, Kakinada, Gajuwaka, Parvathipuram, Rajahmundry, Bobbili, Ankapalle, Gopalapatnam and two franchise stores at Srikakulam & Vijayanagaram in the State of Andhra Pradesh and Dilsukhnagar and A.S Rao Nagar at Hyderabad, Telangana State. We have newly opened a showroom at Tuni, Andhra Pradesh in the month of May, 2022.

**Design Capabilities:** Company has wide variety of jewellery designed/manufactured through karigars/artisans. The Company provides exclusive customized Jewellery. Our designs find inspiration from a variety of everyday objects that we all often take for granted. For, we at Vaibhav believe that design – whether it is the jewellery itself or indeed, the experience as a whole – is what differentiates the pedestrian from the extraordinary. For this reason, our USP is VAIBHAV is.....“Relationships, By Design”.

**Relationships:** The Company enjoys long-term relationships with and major suppliers/job workers, which helps in enhancing stock designs and allowing for bulk purchases. Over 70% of the Company's gold jewellery suppliers are over ten years old. Other than supplier, the Company also enjoys strong regular customer base and maintain good relationships with all the stakeholders.

**Brands:** The Company's Jewellery products are BIS Hall marked and marketed and traded under the registered brand name **VAIBHAV JEWELLERS** and the company also has other trademarks such as Vissha among others.



**CHALLENGES:** the following are the some of the challenges faced by jewellery industry.

**A Need for Generic Promotion of Diamonds & Jewellery:** Another huge challenge for the gems and jewellery industry is the fact that it is losing market-share to other luxury products like smart-phones, designer handbags, clothes and the travel sector. For decades, De Beers almost single-handedly engaged in global promotional activities for diamonds as a product. The lack of promotion of diamonds as a product has led to a declining interest among consumers. As a Company, we have started separately advertising & marketing high end diamond jewellery and related products across all our showrooms and increase our presence in this segment which in turn resulted in higher turnover.

**Acquiring skilled, quality workers:** To acquire skilled and quality workers is really important along with the retention of employees is a big challenge. The parameters must be set to assess the performance and upgrade the skills of the workers from time to time.

**Maintain Customer Loyalty:** Customer experience is the biggest contributor to brand loyalty, with a negative experience being the most significant factor that affects the likelihood of a customer returning. While promotions and offers can certainly help make customers feel unique, personalization is the real key to an outstanding experience. Maintaining communication with customers is essential to keeping them loyal to your brand.

**Much dependency on imports:** India is very much dependent on imports of gold as there is less domestic production of gold. Also the availability of recycle gold within the domestic market is extremely low as the Indian's believe more in storing physical gold into lockers

## 9. Future Prospects:

The performance for the year ended 31<sup>st</sup> March, 2023 has been improved and the Company is managed to perform well in terms of revenue and income. As the management was contemplating for the expansion of business across Andhra Pradesh and Telangana by setting up of new stores, the Company has proposed fund raising through initial public offering (IPO) of equity shares and is in the process of the pre-IPO activities. On the successful completion of IPO, the funds raised will be utilised for the purpose of the expansion of the business. The Company focusses to capture the rural market simultaneously striving for growth in urban markets.

Apart from the above, it is the continuous process at the administration level to focus on the identification, analysis, quality checking and introducing new designs, new processes and new experience to customers apart from retaining, shuffling, reshuffling existing designs based on the customer demand.

## 10. Financial Performance

The Company prepared its financial statements in accordance with applicable accounting principles in India, the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India to the extent applicable.

The details of the financial performance of the Company are appearing in the Balance Sheet, Statement of Profit & Loss, notes there on and other Financial Disclosures. Financial highlights for the year ended on 31st March, 2023 are given in the Directors Report.

## 11. Internal Control System and their adequacy

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and also for the sale of goods. The Company also has internal control system for speedy compilation of accounts and Management Information Reports and to comply with applicable laws and regulations.

M/s. Sagar and Associates, Chartered Accountants, Hyderabad (FRN: 003510S) the Statutory Auditors of the Company, has audited the Financial Statements included in this Annual Report and has issued a report on the Internal Control over financial reporting (as defined in section 143 of the Companies Act, 2013). The Company has appointed M/s. P.A.Naidu & Associates, Chartered Accountants (FRN: 016254S), Visakhapatnam to oversee and carry out Internal Audits and provide periodical internal reports to the management. The Company has also appointed M/s. P.S Rao &

Associates, Practising Company Secretaries, Hyderabad as secretarial auditors of the Company for conducting secretarial audit.

Material Development in Human Resource/Industrial relations front including number of peoples employed

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

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

In order to upgrade the skills sets of all levels of employees, on a regular basis, we have training sessions, conducted by in-house training team along with the support of external trainers as and when require. Apart from induction programs, the following are some of the Training programs which the company regularly provides to employees:

- Customer Relations and Grooming
- Effective Selling Skills
- Product Knowledge – Gold / Silver / Diamonds
- Behavioural Skills
- Overview on Organization & Statutory Benefits
- Security Aspects
- Fire Fighting & Safety Aspects

The effort to rationalize and streamline the work force is a continuous process. The industrial relations scenario remained harmonious throughout the year. As on 31st March, 2023 the Company had 913 full time employees.

**Annexure V**
**REPORT ON CORPORATE GOVERNANCE**
**1. Company's Philosophy on Corporate Governance**

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering the interest of all stakeholders while conducting business. Your Company believes good corporate governance practices ensure efficient conduct of the affairs of the Company.

Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

Your company is committed towards transparency in all its dealings and places high emphasis on business principles and believes the good corporate Governance goes beyond working results and financial priority and is pre-requisite for attainment of excellent performance. The Company's business practices are based on the conviction that good business underpins good ethics.

**2. Board of Directors**

The Board of Directors along with its Committees provides leadership and guidance to the Management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

During the Financial Year Mrs. Sridevi Dasari (DIN: 07512095), Mr. Ramesh Babu Nemani (DIN: 08089820) and Mr. Adabala Seshagiri Rao (DIN: 09608973) were appointed as Independent Directors with effect from 26.07.2022 for a period of 5 years. Mrs. Sai Keerthana Grandhi, Whole-time Director was also appointed as Chief Financial Officer (CFO) with effect from 02.08.2022 and Mr. Bandari Shiva Krishna, Company Secretary was redesignated as Company Secretary & Compliance Officer of the Company with effect from 02.08.2022 during the period under review.

The Board composition is in conformity with the Companies Act, 2013 and rules made thereunder. All Directors possess relevant qualifications and experience in general Corporate Management, Jewellery Business, Finance, Banking and other allied fields, which enable them to effectively contribute to the Company in their capacity as Directors.

The Board, as on March 31, 2023, comprises of three Executive Directors three Non-Executive Directors. The Chairperson of the Board of Directors of the Company is a Managing Director and a promoter.

### Composition

The composition of and the category of Directors on the Board of the Company are as under:

Name	DIN	Designation
Mrs. G.B.M. Ratna Kumari	00492520	Chairperson & Managing Director
Mrs. Sai Sindhuri Grandhi	02795856	Executive Director
Mrs. Sai Keerthana Grandhi	05211918	Whole-time Director & CFO
Mrs. Sridevi Dasari	07512095	Independent Director
Mr. Ramesh Babu Nemani	08089820	Independent Director
Mr. Rao Seshagiri Adabala	09608973	Independent Director

During the Financial year 2022-23, Mr. Gontla Rakhal, was appointed as Chief Operating Officer (COO) of the Company with effect from 01.04.2022.

### 3. Conduct of Board Proceedings

The day to day matters concerning the business is conducted regularly. The Board holds its meetings at regular intervals to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company. The gap between two Board Meetings not exceeded 120days. During the year under review 12 Board Meetings were held on 23<sup>rd</sup> April, 2022, 16<sup>th</sup> May, 2022, 02<sup>nd</sup> June, 2022, 01<sup>st</sup> July, 2022, 02<sup>nd</sup> August, 2022, 12<sup>th</sup> August, 2022, 22<sup>nd</sup> August, 2022, 05<sup>th</sup> September, 2022, 05<sup>th</sup> September, 2022, 23<sup>rd</sup> September, 2022, 09<sup>th</sup> January, 2023, 28<sup>th</sup> March, 2023.

The table below sets out details of name, categories of Directors, their attendance at each Board Meeting held during the year.

Date of meeting	Mrs. Bharata Mallika Ratna Kumari Grandhi	Mrs. Sai Sindhuri Grandhi	Mrs. Sai Keerthana Grandhi	Mrs. Sridevi Dasari	Mr. Ramesh Babu Nemani	Mr. Rao Seshagiri Adabala
23 <sup>rd</sup> April, 2022	Yes	Yes	Yes	--	--	--
16 <sup>th</sup> May, 2022	Yes	Yes	Yes	--	--	--
02 <sup>nd</sup> June, 2022	Yes	Yes	Yes	--	--	--
01 <sup>st</sup> July, 2022	Yes	Yes	Yes	--	--	--
02 <sup>nd</sup> August, 2022	Yes	Yes	Yes	Yes	Yes	Yes
12 <sup>th</sup> August, 2022	Yes	Yes	Yes	Yes	Yes	Yes
22 <sup>nd</sup> August, 2022	Yes	Yes	Yes	Yes	Yes	Yes
05 <sup>th</sup> September, 2022	Yes	Yes	Yes	Yes	Yes	Yes
05 <sup>th</sup> September, 2022	Yes	Yes	Yes	Yes	Yes	Yes
23 <sup>rd</sup> September, 2022	Yes	Yes	Yes	Yes	Yes	Yes

09th January, 2023	Yes	Yes	Yes	Yes	Yes	Yes
28th March, 2023	Yes	Yes	Yes	Yes	Yes	Yes

Name of the Director	Designation	No. of Board Meetings held during the year 2022-23	No. of Meetings Attended
Mrs. G.B.M Ratna Kumari	Chairperson & Managing Director	12	12
Mrs. G. Sai Sindhuri	Executive Director	12	12
Mrs. G. Sai Keerthana	Wholetime Director & CFO	12	12
Mrs. Sridevi Dasari	Independent Director	8	8
Mr. Ramesh Babu Nemani	Independent Director	8	8
Mr. Rao Seshagiri Adabala	Independent Director	8	8

\* Mrs. Sridevi Dasari (DIN: 07512095), Mr. Ramesh Babu Nemani (DIN: 08089820) and Mr. Adabala Seshagiri Rao (DIN: 09608973) were appointed as Independent Directors with effect from 26.07.2022 for a period of 5 years.

#### 4. Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable laws to the Company. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles as specified under the act, rules as applicable and by the Board of directors.

##### Audit Committee

The Board at its meeting held on 02<sup>nd</sup> August, 2022 constituted Audit Committee in accordance with the provisions of Section 177 of Companies Act 2013 rules made thereunder and other applicable provisions. The composition of the Committee is as follows:

Sl No.	Name of Members	Designation
1.	Mr. Rao Seshagiri Adabala Independent Director	Chairperson
2.	Mr. Ramesh Babu Nemani Independent Director	Member
3.	Mrs. Sridevi Dasari Independent Director	Member
4.	Mrs. Grandhi Sai Keerthana Wholetime Director & CFO	Member

The roles and duties of Audit committee is as stated in Companies Act 2013 and SEBI(LODR) Regulation 2015. The committee met thrice during the year and all the members were present during the Meeting.

#### **Nomination and Remuneration Committee**

The Board at its meeting held on 02<sup>nd</sup> August, 2022 constituted Nomination and Remuneration Committee in accordance with the provisions of Section 178 of Companies Act 2013 rules made thereunder and other applicable provisions. The composition of the Committee is as follows:

Sl No.	Name of Members	Designation
1.	Mrs. Sridevi Dasari Independent Director	Chairperson
2.	Mr. Ramesh Babu Nemani Independent Director	Member
3.	Mr. Rao Seshagiri Adabala Independent Director	Member

The roles and duties of Nomination and Remuneration committee is as stated in Companies Act 2013 and SEBI (LODR) Regulation 2015. The Committee met once during the year and all the members were present during the Meeting.

#### **Stakeholder's Relationship Committee**

The Board at its meeting held on 02<sup>nd</sup> August, 2022 constituted Stakeholder's Relationship Committee in accordance with the provisions of Section 178 of Companies Act 2013 rules made thereunder and other applicable provisions. The composition of the Committee is as follows:

Sl No.	Name of Members	Designation
1.	Mr. Ramesh Babu Nemani Independent Director	Chairperson
2.	Mrs. Sridevi Dasari Independent Director	Member
3.	Mr. Rao Seshagiri Adabala Independent Director	Member
4.	Mrs. Grandhi Sai Keerthana Wholetime Director & CFO	Member

The roles and duties of Stakeholder's Relationship committee is as stated in Companies Act 2013 and SEBI (LODR) Regulation 2015. The Committee met once during the year and all the members were present during the Meeting.

#### **Risk Management Committee**

The Board at its meeting held on 02<sup>nd</sup> August, 2022 constituted Risk Management Committee in accordance with the applicable provisions of Companies Act 2013 rules made thereunder and other applicable provisions. The composition of the Committee is as follows:



Sl No.	Name of Members	Designation
1.	Mrs. Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director	Chairperson
2.	Mrs. Grandhi Sai Keerthana Wholetime Director & CFO	Member
3.	Mr. Satish Ramanujakoodam* Chief Executive Officer	Member
4.	Mr. Ramesh Babu Nemani Independent Director	Member

The roles and duties of Risk Management committee is as stated in Companies Act 2013 and SEBI (LODR) Regulation 2015. The Committee met once during the year and all the members were present during the Meeting.

*\*The Member Mr. Satish Ramanujakoodam resigned from the office of CEO on 31.07.2023.*

#### **Corporate Social Responsibility Committee**

The Board at its meeting held on 02<sup>nd</sup> August, 2022 re-constituted Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility Committee are as under:

Sl No.	Name of Members	Designation
1.	Mrs. Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director	Chairperson
2.	Mrs. Grandhi Sai Keerthana Wholetime Director & CFO	Member
3.	Mrs. Grandhi Sai Sindhuri Executive Director	Member
4.	Mrs. Sridevi Dasari Independent Director	Member

The roles and duties of Corporate Social Responsibility committee is as stated in Companies Act 2013. The Committee met once during the year and all the members were present during the Meeting.

#### **IPO Committee**

As the Company is raising funds through IPO, as per the applicable provisions the Board at its Meeting held on 22<sup>nd</sup> August, 2023, constituted an IPO Committee. The compositions are as follows:

Sl No.	Name of Members	Designation
1.	Mrs. Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director	Chairperson
2.	Mrs. Grandhi Sai Keerthana	Member



	Wholetime Director & CFO	
3.	Mr. Rao Seshagiri Adabala Independent Director	Member

#### 5. Relationship Between Directors

Mrs. Bharata Mallika Ratna Kumari Grandhi (Chairperson & Managing Director) is mother of Mrs. Sai Keerthana Grandhi (Whole-Time Director & CFO) and Mrs. Sai Sindhuri Grandhi (Executive Director and hence relatives as per section 2(77) of the Companies Act.

Except as stated above no other Directors are related to each other in terms of definition “relative” under the Act.

#### 6. Number of Shares / Convertible instruments held by Non-executive Directors

None of the Non-Executive Directors holds any shares / convertible instruments in the Company.

#### 7. List of core skill / expertise / competencies / is identified by the board of directors as required in the context of its business.

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the board of the company. Ours is a skill based board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the company. The Board is of the opinion that the skill or competence required for the directors in relation to the present business of the company includes the following:

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business	Names of Directors who possess such skills/ expertise/competence
Leadership qualities and in-depth knowledge and experience in general management of organization	Mrs. Bharata Mallika Ratna Kumari Grandhi Mrs. Sai Sindhuri Grandhi Mrs. Sai Keerthana Grandhi
Exposure to sales and marketing management based on understanding of the customers, ads and publicity	Mrs. Bharata Mallika Ratna Kumari Grandhi Mrs. Sai Keerthana Grandhi
Ability to analyse and understand the key financial statements, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising and internal controls	Mrs. Bharata Mallika Ratna Kumari Grandhi Mrs. Sai Keerthana Grandhi Mr. Adabala Seshagiri Rao
Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Mrs. Sai Sindhuri Grandhi Mrs. Sai Keerthana Grandhi Mr. Adabala Seshagiri Rao
Technical, professional skills and knowledge including legal, governance and regulatory aspects	Mr. Ramesh Babu Nemani Mrs. Sridevi Dasari

## 8. Independent Directors' Independence

In the opinion of the board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

## 9. Separate Meeting of Independent Director

The meeting of the Independent directors during the year 2022-23 was held in accordance with the requirements of section 149 & Schedule IV of the Companies Act, 2013. During the year, the independent directors met once, i.e., on 28<sup>th</sup> march, 2023 and all the independent directors attended the meeting.

## 10. Related party transactions

All related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business, did not attract provisions of section 188 of the Act and rules made there under. Appropriate approvals i.e Board approval was accorded for all related party transactions (RPTs) which were not in the ordinary course of business were in compliance with the Companies Act, 2013 and rules made there under. A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind-AS 24) has been made in the notes to the Financial Statements and also in Form No. AOC-2 as annexure the Board's Report.

## 11. Details of remuneration for the year ended March 31, 2023

### Executive Directors:

(Amt in Million)

Name of the Director	Salary	Other Benefits	Company's contribution to PF	Commission	Performance linked incentive	Total Remuneration
Mrs. Bharata Mallika Ratna Kumari Grandhi	23.52	-	-	-	-	23.52
Mrs. Sai Sindhuri Grandhi	2.19	-	-	-	-	2.19
Mrs. Sai Keerthana Grandhi	5.08	-	-	-	-	5.08

Payment of remuneration to the Managing Director, Whole Time Director and Executive Directors of the company is governed by the terms and conditions of their appointment and in accordance with the Companies Act 2013 and Schedule V.

Details of shares held by Managing Director & Executive Directors in the Company as on date of this Report:

Name of the Director	Designation	Shareholding (Face value Rs.2 each )
Mrs. Bharata Mallika Ratna Kumari Grandhi	Managing Director	5,35,20,000 equity shares
Mrs. Sai Sindhuri Grandhi	Executive Director	20,000 equity shares
Mrs. Sai Keerthana Grandhi	Whole Time Director & CFO	40,000 equity shares

## 12. Remuneration of Directors

- a. **The pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company**

The Company neither has any pecuniary relationship (except Sitting Fee) nor has entered into any transaction(s) with any of its non-executive directors.

- b. **Payment Criteria for Non-Executive Directors**

The Nomination and Remuneration policy describing the criteria of making payment to non-executive directors is being placed in the Company's website which may be <https://www.vaibhavjewellers.com/pub/media/Nomination%20and%20Remuneration%20Policy.pdf>.

- c. **Disclosures with respect to remuneration**

The Information, which needs to be disclosed in the annual report as per the provisions of Sec 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – N.A (since the Company is yet to be listed)

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors – The Independent Directors are only entitled to Sitting Fees. The other Executive Directors are entitled to remuneration as detailed in the Notice of AGM.

There are no performance linked incentives to any of its directors.

Moreover, no service contracts were entered into by the Company, hence, notice period and severance fees are not applicable.

## 13. Bonus Issue

During the Financial Year 2022-23, the Company has issued 2,93,10,000 fully paid Bonus Equity Shares in the ratio of 3:1 (i.e. Three new Fully paid Equity Shares for 1 Equity Share held) to the existing shareholders of the Company by capitalizing the Reserves of the Company in compliance with the provisions of Companies Act, 2013.

## 14. Proceeds from public issues, right issues, preferential issues

During the year, the Company did not raise capital through public, rights and/or preferential issue. However, your Company has filed DRHP with SEBI for raising of funds through Initial Public offering of equity shares of the Company on 05<sup>th</sup> September, 2022. And SEBI has issued the Observation letter on 02<sup>nd</sup> December, 2022.

## 15. Website

The company has in place a dedicated website addressed as [www.vaibhavjewellers.com](http://www.vaibhavjewellers.com) for online sales. The Company also makes use of its website for publishing official news company updates and presentations, if any, as the case may be.

## 16. Share Transfer Agent (STA) & share transfer system

With a view to rendering prompt and efficient service to the shareholders and also to hold their shares in dematerialisation mode etc, the Company has obtained, demat connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and Bigshare Services Private Limited (RTA), which has been registered with SEBI as share transfer agents, has been appointed as the share transfer agent of the Company

All physical transfers (to the extent permitted), transmission, transposition, issue of duplicate share certificate(s), issue of demand drafts in lieu of dividend warrants, etc. as well as requests for dematerialisation/rematerialization are being processed at Bigshare Services Private Limited. Work related to dematerialisation/rematerialization is handled by Bigshare Services Private Limited through connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

All Shareholders are, also, therefore, requested to correspond with the Bigshare Services Private Limited for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, if any, etc. at their address given in this report.

## 17. Annual General Body Meetings

Date, time and venue of last three years Annual General Meetings:

Year	Date	Time	Venue
2019-20	30th September, 2020	10.00 a.m.	Registered office: D. No. 7A-9-21, Main Bazaar, Eluru, 534 001, Andhra Pradesh, India
2020-21	30th November, 2021	10.00 a.m.	Registered office: D. No. 7A-9-21, Main Bazaar, Eluru, 534 001, Andhra Pradesh, India
2021-22	30th September, 2022	10.00 a.m.	Registered office: 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam, 530016, Andhra Pradesh, India.

## 18. General Shareholders Information

### 34<sup>th</sup> Annual General Meeting

Day, Date & Time: Saturday, 30th September, 2023 at 10:00 a.m.

**Venue:** Registered office: 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Visakhapatnam, 530016, Andhra Pradesh, India.

### Financial Year

The Financial Year of the Company is from 1st April, 2022 to 31st March, 2023.

**Shareholding pattern and Distribution of shares as on March 31, 2023**

Range of Equity Shares Held	Shareholders		Shares Face value-Rs.10/-	
	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares
Upto - 5000			-	-
5001 – 10000	-	-	-	-
10001 – 20000	2	28.57	40,000	0.10
20001 – 30000	-	-	-	-
30001 – 40000	2	28.57	80,000	0.20
40001 – 50000	-	-	-	-
50001 – 100000	-	-	-	-
100001 and above	3	42.86	3,89,60,000	99.70
<b>Total</b>	<b>7</b>	<b>100.00</b>	<b>3,90,80,000</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2023**

Sl.No	Category	Total No of Shares (Face Value Rs.10)	Total Percentage as a % of Total Share Capital
1	Promoter / Promoter Group	3,90,80,000	100.00%
2	Mutual Funds / UTI	-	-
3	Financial Institutions / Banks	-	-
4	Insurance Companies	-	-
5	Central / State Government	-	-
6	Bodies Corporate	-	-
7	Investor Education and Protection Authority	-	-
8	Indian Public	-	-
9	Resident Individual (HUF)	-	-
10	NRI / Foreign National / OCB	-	-
11	NBFCs registered with RBI	-	-
12	Unclaimed Shares Account	-	-
13	Trusts (SSKL Employees' Trust)	-	-
	<b>Total</b>	<b>3,90,80,000</b>	<b>100.00</b>

**Corporate office & Address for communication**

Mr. Bandari Shiva Krishna, Company Secretary & Compliance Officer, Manoj Vaibhav Gems 'N' Jewellers Limited, Door No: 47-10-19, 2nd Lane, 2nd Floor, Dwarakanagar, Visakhapatnam - 530016, Andhra Pradesh, India.





## INDEPENDENT AUDITOR'S REPORT

**To**

**The Members**

**Manoj Vaibhav Gems 'N' Jewellers Limited**

(Formerly known as Manoj Vaibhav Gems 'N' Jewellers Private Limited)

D. No. 47-15-8, V Square, Zone - A, Dwarakanagar,

Visakhapatnam

Andhra Pradesh 530016

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Manoj Vaibhav Gems 'N' Jewellers Limited** (Formerly known as Manoj Vaibhav Gems 'N' Jewellers Private Limited) (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash flow statement for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 its profit, 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### 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 of the current period. 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.

Sl. No	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Existence of inventory:</b></p> <p>Refer Note 9 "Inventory" to the Standalone Financial Statements.</p> <p>The Company's inventories primarily comprise jewellery of gold, Silver, diamonds, gemstones etc. ("inventory")</p> <p>We have considered existence of inventory to be a key focus area for our audit due to:</p> <p>a. the high value and nature of inventory involved could lead to a significant risk of loss of inventory</p>	<p><b>Our principal audit procedures performed, among other procedures, included the following:</b></p> <ul style="list-style-type: none"><li>• obtained an understanding of the management's process for safeguarding and physical verification of inventories including the appropriateness of the Company's procedures for conducting, reconciling and recording physical verification of inventories.</li><li>• 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.</li><li>• tested the operating effectiveness of controls around the IT systems for</li></ul>





	<p>b. inventory being held at various locations in Andhra Pradesh, Telangana and third party job workers.</p>	<p>recording of inward and outward movements of inventory</p> <ul style="list-style-type: none"> <li>• For a sample of locations, we performed the following procedures: attended physical verification of stocks conducted by the Company at the year end. (i) also checked on a sample basis reconciliation of inventories as per physical inventory verification and book records. (ii) we also verified the karatage of the jewellery on a sample basis during our attendance at the physical verification.</li> <li>• For stock held with the third-party job workers, we obtained independent confirmations of inventories held with them.</li> </ul> <p><b>Our Conclusion:</b> Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect of Inventories valuation and existence.</p>
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#### **Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone 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 during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 Responsibility for the Audit of the Standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 system 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 auditor's 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by Section 143 (3) of the Act, based on our audit we report that;
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of changes in equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under





Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure -A**".
- g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 39 to the financial statements
  - 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d.
    - i. The management has represented that, to the best of its knowledge and belief, 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 persons or entities, including foreign entities ("Intermediaries") with the understanding,



whether recorded in writing or otherwise, that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - Provide any guarantee, security or the like form or on behalf of the Ultimate Beneficiaries; and
- iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d)(ii) contain any material mis-statement.
- e. According to the information and explanations given to us, the Company has not declared or paid any Dividend during the year.



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

For **Sagar & Associates**  
**Chartered Accountants**

Firm's Registration No: 003510S

  
CA. B. Aruna  
Partner

Membership No.216454

UDIN: 23216454BGXENS6872

Place: Visakhapatnam

Date: September 04, 2023



## **“Annexure – A” to the Independent Auditors’ Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Manoj Vaibhav Gems 'N' Jewellers Limited of even date)rg

Report on the Internal Financial Controls Over Financial Reporting 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 Manoj Vaibhav Gems 'N' Jewellers Limited (“the Company”) as of March 31<sup>st</sup>, 2023 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

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

The Board of Directors of the Company 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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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 March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sagar & Associates**  
**Chartered Accountants**

Firm's Registration No: 003510S

  
CA. B. Aruna

Partner

Membership No. 216454

UDIN: 23216454BGXENS6872

Place: Visakhapatnam

Date: September 04, 2023

## **“Annexure – B” to the Independent Auditors’ Report**

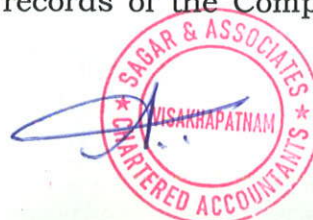
(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Manoj Vaibhav Gems 'N' Jewellers Limited of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and equipment by which all the Property, Plant and equipment are physically verified by the management. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the company and the nature of fixed assets. In accordance with this program, certain Property, Plant and equipment were verified during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of 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 and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.





- (f) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (g) Immoveable properties of land and buildings whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the Mortgage deed executed between the bank and the Company for which confirmations have been obtained from respective bankers.
- (ii) (a) The inventory has been physically verified by the management during the year in our opinion the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company do not have any subsidiaries, joint ventures and associates. Accordingly, no balance outstanding as on 31<sup>st</sup> March 2023.
- (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 has not provided any advances in the nature of loans or security to any other entity during the year. Accordingly, no balance outstanding as on 31<sup>st</sup> March 2023.

Accordingly, clause 3(iii) (b) to (f) of the order is not applicable.

- (iv) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 of the Companies Act, 2013 and the Company has not given any loans, or provided any guarantee or security as specified under section 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the order is not applicable.
- (vi) According to the information and explanations given to us, Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products traded/dealt by it (and or services provided by it). Accordingly, provisions of sub-section (1) of section 148 of the Companies Act, 2013 not applicable.
- (vii) (a) The Company does not have liability in respect of sales tax, Service tax, Duty of excise and value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanation given to us and on the basis of our examination of the records the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including Goods and Services Tax ("GST"), provident fund, Employees State Insurance, Income- tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanation given to us, no undisputed amounts payable in respect of GST, provident fund, Employees State Insurance, Income- tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.





- (b) According to the information and explanation given to us, there are no dues of GST, provident fund, employees State Insurance, Income- tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on accounts of disputes, except as below:

Statue/ Nature of Dues	Amount (in ₹ million)	Period to which the amounts related	Forum where the dispute is pending
Income tax	69.91	Assessment Year 2013-14	Hon'ble High Court of Andhra Pradesh (under admission stage)
Civil	8.85	Not applicable	The II <sup>nd</sup> Additional District Court at Visakhapatnam

- (viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the Tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) 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 defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, clause 3 (ix) (a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government authority.





- (c) According to the information and explanations given to us by the management, 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) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that funds have been raised on short- term basis, prima facie, not been used during the year for long term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, Clause 3(x) (a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year Accordingly, Clause 3(x) (b) of the order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in standards on auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no



report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government.

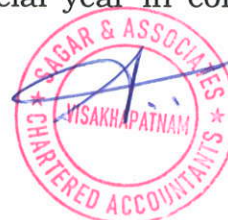
- (c) We have taken into consideration the whistle blower complains received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company, Accordingly, Clause 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financials statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.  
(b) We have considered the internal audit reports of the company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons or persons connected to its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) (a) of the order is not applicable.  
(b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi) (b) of the order is not applicable.





- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, Clause 3(xvi) (c) of the order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of Clause 3(xvi) (d) are not applicable.
- (xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There is no resignation of the statutory auditor during the year. Accordingly, Clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the financial statements, 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 that the Company is not capable of meeting its liabilities existing at the date of balance sheet date 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) In our opinion and according to the information and explanations given to us, in respect of other than ongoing projects, there is no unspent amount under sub-section (5) of section 135 of Companies Act, 2013. Accordingly, Clause 3(xx)(a) of the order is not applicable.

In our opinion and according to the information and explanations given to us, in respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance



with Section 135(6) of the said Act.

- (xxi) The reporting under clause 3(xxii) is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Sagar & Associates**  
**Chartered Accountants**

Firm's Registration No: 003510S

  
CA. B. Aruna  
Partner  
Membership No: 216454  
UDIN: 23216454BGXENS6872

Place: Visakhapatnam

Date: September 04, 2023



## Significant Accounting policies

### Note 1:

#### Background

M/s. Manoj Vaibhav Gems 'N' Jewellers Limited ("the Company") (CIN:U55101AP1989PLC009734) is engaged in the business of jewellery and having registered office at 47-15-8, V Square, Zone-A, Opp: TSR Complex, Station Road, Dwarakanagar, Vishakhapatnam 530016. The Company is running its jewellery business under the name and style of "Vaibhav Jewellers", being registered trade mark.

### Note 2: Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the company.

#### (a) Basis for preparation

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration is measured at fair value
- defined benefit plans – plan assets measured at fair value

#### (b) Statement of Compliance

These financial statement of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

#### (c) Use of estimates and judgement

The preparation of financial statement in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statement. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### (i) Useful lives of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

##### (ii) Fair value of financial assets and liabilities and investments:

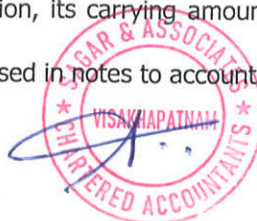
The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

##### (iii) Provisions and contingent liabilities

**Provisions:** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

**Contingent liabilities:** Contingent liabilities are not recognised but are disclosed in notes to accounts.





## Significant Accounting policies

### (d) *Functional and presentation currency*

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The special purpose financial statement are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### (e) *Revenue Recognition*

a) Sale of goods: Revenue from the sale of goods is recognized at the point in time when control over the goods sold is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, net of discounts, variable considerations, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of that asset's net carrying amount on initial recognition.

c) Service Income - Service income is recognized on rendering of services based on the agreements / arrangements with the concerned parties.

### (f) *Leases*

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019 (standard effective date). The Company recognises a right-of-use asset and a lease liability at the later of lease commencement date or April 01, 2019. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.





**Significant Accounting policies**

**(g) Foreign currencies**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge, if any.

**(h) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Gold metal loan**

The company has an arrangement with its banker for lifting gold under metal loan terms against a limit under "price unfixed basis" and opts to fix the price for gold taken under loan within 180 days at delivery. However, based on business expediencies the company fixes the price within 180 days, whenever the price is favorable and carried the transaction under the forward cover to be settled for payment of money on the specified date. The price difference arising out of such transactions are bifurcated into weight to foreign currency and foreign currency to ₹. The same are accounted to the head of purchase and foreign exchange fluctuation respectively. The interest if any payable to bankers on such outstanding is treated as expenses on accrual basis.

The outstanding metal loan position if any as on reporting date is special purpose at marked to market price and the resulting difference if any is accounted to the purchase account and foreign exchange fluctuation.

**(i) Employee benefits**

**Leave Encashment :** Compensatory absence which accrue to the employees which are expected to be availed or encashed within twelve months after the end of the period in which the employees render the related service are short-term in nature. These compensatory absences require measurement on an actual basis and not on actuarial basis.

**Defined contribution plan :** The company makes defined contribution to Provident Fund and Employee State Insurance which are recognized in the statement of Profit and Loss on accrual basis.

**Defined benefit plan :** The company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary as on the Balance sheet date.

The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognized in Other Comprehensive Income (OCI) and are not reclassified to the statement of profit and loss in any subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service costs.





**Significant Accounting policies**

**(j) Taxation**

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

a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

b) Minimum Alternate Tax (MAT) : paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

c) Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised 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 utilised. 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 utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**(k) Property, Plant and Equipment**

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at historical cost.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in the case of fixtures at stores, has been provided based on the lease period of the respective premises.. The estimated useful life of the tangible assets and the useful life are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. Any leasehold improvements is depreciated over the lease term.

**Capital work-in-progress**

Capital work in progress includes, cost of assets not yet commissioned, and incidental expenses during the construction period. Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.





**Significant Accounting policies**

**(l) Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The depreciation on investment property (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**(m) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Estimated useful lives of the intangible assets is 6 years which contains Software. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**(n) Impairment of tangible and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and 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). 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

**(o) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined for raw material; work-in-progress; and finished goods on 'weighted average' basis. The cost of inventories includes all cost of purchase, cost of conversion and other cost incurred in bringing the Inventories to their present location and condition.

Packing materials and Gift items are valued at cost on FIFO basis.





## Significant Accounting policies

### (p) Provisions and contingencies

**Provisions:** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

**Contingent liabilities:** Contingent liabilities are not recognised but are disclosed in notes to accounts.

### (q) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

a) **Non-derivative Financial assets:** All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

**Financial assets at amortised cost**

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

**Effective interest method:**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is that which exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is included in the "Other income" line item.

b) **Derecognition of financial assets:** A financial asset is derecognised only when the Company:

- has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.





**Significant Accounting policies**

c) Foreign exchange gains and losses: The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

d) Financial liabilities: All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at FVTPL** - Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**(r) Segment reporting**

Operating segments are reported in the manner consistent with the internal reporting to the Chief Executive Officer. The Company is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

**(s) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



**Significant Accounting policies**

**(t) Earnings per share (EPS)**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

**(u) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.





**Balance sheet as at March 31, 2023**

(All amounts are in ₹ million, except otherwise stated)

Particulars	Note No.	As at Mar 31, 2023	As at Mar 31, 2022
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	3	434.13	463.47
(b) Capital work-in-progress	3	7.38	30.19
(c) Investment properties	4	197.70	191.57
(d) Other intangible assets	5	1.59	1.87
(e) Right-of-use assets	6	198.45	216.39
(f) Financial assets			
(i) Other financial assets	7	33.28	42.52
(g) Other non-current assets	8	6.10	6.68
(h) Deferred tax assets (Net)	21	28.45	20.73
		<b>907.08</b>	<b>973.42</b>
<b>2 Current assets</b>			
(a) Inventories	9	9,335.83	7,671.50
(b) Financial assets			
(i) Trade receivables	10	243.83	200.21
(ii) Cash and cash equivalents	11	132.60	63.92
(iii) Bank balances other than (ii) above	12	39.57	22.51
(iv) Loans	13	1.42	1.70
(v) Other financial assets	14	4.29	1.88
(c) Other current assets	15	113.96	60.19
		<b>9,871.49</b>	<b>8,021.91</b>
<b>Total Assets</b>		<b>10,778.57</b>	<b>8,995.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	16	390.80	97.70
(b) Other equity	17	3,054.70	2,630.89
		<b>3,445.50</b>	<b>2,728.59</b>
<b>2 Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	6	217.97	223.15
(ii) Borrowings	18	1,066.02	1,040.26
(iii) Other financial liabilities	19	4.52	2.12
(b) Provisions	20	37.51	34.95
		<b>1,326.02</b>	<b>1,300.48</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	6	33.38	30.96
(ii) Borrowings	22	3,534.01	3,737.09
(iii) Trade payables	23	-	40.63
-Due to micro, small and medium enterprises			845.42
-Others		380.45	15.73
(iv) Other financial liabilities	24	17.85	274.13
(b) Other current liabilities	25	2,023.69	8.64
(c) Provisions	26	8.17	13.65
(d) Current tax liabilities (Net)	27	9.50	
		<b>6,007.05</b>	<b>4,966.26</b>
<b>Total equity and liabilities</b>		<b>10,778.57</b>	<b>8,995.33</b>

**Corporate information and significant accounting policies 1 & 2**

The accompanying notes are an integral part of the audited financial statements

As per our audit report of even date

**For Sagar & Associates**

Chartered Accountants

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

**CA B. Aruna**

Partner

Membership No. : 216454

F. No. 003510S

Place: Visakhapatnam

Date: September 04, 2023

**GBM Ratna Kumari**

Chairperson &  
Managing Director

DIN : 00492520

**GS Keerthana**

Whole-Time Director &  
Chief Financial Officer

DIN : 05211918

**B. Shiva Krishna**

Company Secretary &  
Compliance officer

**Statement of profit and loss for the year ended March 31, 2023**

(All amounts are in ₹ million, except otherwise stated)

Particulars	Note No.	Year ended Mar 31, 2023	Year ended Mar 31, 2022
<b>INCOME</b>			
I (a) Revenue from operations	28	20,273.44	16,939.19
(b) Other income	29	39.60	37.80
<b>Total Income</b>		<b>20,313.03</b>	<b>16,976.98</b>
<b>EXPENSES</b>			
III (a) Cost of raw material consumed	30	12,126.47	9,766.08
(b) Purchases of stock-in-trade	30	7,227.67	6,251.53
(c) Changes in inventories	31	(1,726.01)	(1,155.81)
(d) Employee benefits expense	32	424.68	356.17
(e) Finance costs	33	426.19	416.33
(f) Depreciation and amortization expense	34	85.61	86.94
(g) Other expenses	35	790.08	671.64
<b>Total expenses</b>		<b>19,354.69</b>	<b>16,392.87</b>
V Profit before exceptional items and tax (II-IV)		958.35	584.12
VI <b>Exceptional Items</b>		-	-
VII <b>Profit before tax (V-VI)</b>		958.35	584.12
VIII Tax expense:			
(a) Current Tax		242.38	147.32
(b) Deferred Tax	21	250.38	157.38
(c) Short/ (Excess) provision of earlier years		(8.04)	(10.06)
		0.04	0.00
<b>Profit for the year (VII-VIII)</b>		<b>715.96</b>	<b>436.79</b>
X <b>Other Comprehensive Income</b>			
A) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		1.26	2.59
b) Income tax relating to Items that will not be reclassified to profit or loss	21	(0.32)	(0.65)
<b>Other comprehensive income / (loss) for the year, net of tax</b>		0.94	1.94
XI <b>Total comprehensive income for the year (IX+X)</b>		<b>716.91</b>	<b>438.73</b>
XII Earnings per equity share	36		
(a) Basic earnings per share of ₹ 10/- each		18.32	11.18
(b) Diluted earnings per share of ₹ 10/- each		18.32	11.18

The accompanying notes are an integral part of the audited financial statements

As per our audit report of even date

**For Sagar & Associates**

Chartered Accountants

**CA B. Aruna**

Partner

Membership No. : 216454

F. No. 003510S

Place: Visakhapatnam

Date: September 04, 2023

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

**GBM Ratna Kumari**

Chairperson &

Managing Director

DIN : 00492520

**GS Keerthana**

Whole-Time Director &

Chief Financial Officer

DIN : 05211918

**B. Shiva Krishna**

Company Secretary &

Compliance officer



**Statement of cashflows for the year ended March 31, 2023**

(All amounts are in ₹ million, except otherwise stated)

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
<b>A) Cash Flows from Operating Activities</b>		
Net profit before tax and exceptional items	958.35	584.12
Adjustments for :		
Amortisation / Writeoff of Right to use	18.36	18.30
Actuarial gain / (loss)	1.26	2.59
Depreciation on property, plant and equipment	65.69	67.13
Depreciation on investment properties	1.56	1.51
Unrealized foreign exchange (gain)/ loss	-	0.52
(Profit)/ Loss on sale of Property, Plant and Equipment	(0.07)	-
Provision for bad and doubtful debts	2.31	3.54
Account balances written-off	-	(6.84)
Interest expense	413.53	403.78
Interest income	(4.29)	(3.23)
Operating profit before working capital changes	<b>1,456.70</b>	<b>1,071.40</b>
Adjustments for working capital changes		
(Increase) / Decrease of Other non-current assets	(0.12)	(0.09)
(Increase) / Decrease of Other non-current assets - Financial	9.77	(2.11)
(Increase) / Decrease of Inventories	(1,664.33)	(1,259.76)
(Increase) / Decrease of Trade Receivables	(45.94)	(6.11)
(Increase) / Decrease of Loans and Other current assets - Financial	(1.79)	9.46
(Increase) / Decrease of Other current assets	(53.79)	48.30
Increase / (Decrease) of Other long-term liabilities - Financial	2.41	0.31
Increase / (Decrease) of Long-term Provisions	2.56	1.58
Increase / (Decrease) of Trade payables	(505.60)	297.23
Increase / (Decrease) of Other current liabilities	1,750.97	72.22
Increase / (Decrease) of Other financial liabilities	1.06	2.58
Increase / (Decrease) of Short term provisions	(0.47)	0.71
Cash generated from operations	951.43	235.72
Income tax paid	(259.43)	(146.15)
Cash Flow Before Exceptional items	692.00	89.57
Exceptional Items	-	-
<b>Net Cash generated from/(used in) operating activities</b>	<b>692.00</b>	<b>89.57</b>
<b>B) Cash flows from Investing Activities</b>		
Sale/ (Purchase) of Property, Plant and Equipment/CWIP (incl capital advances)	(13.28)	(2.00)
(Increase)/ Decrease in Investment properties (net)	(7.69)	4.09
(Increase)/ Decrease in Deposits	(17.06)	8.73
Interest received	2.75	2.21
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(35.28)</b>	<b>13.03</b>
<b>C) Cash flows from Financing Activities</b>		
Proceeds / (repayment) from or of Long-term borrowings	25.76	(99.43)
Proceeds / (repayment) from or of Short-term borrowings	(203.07)	242.44
Principal payment of lease liability	(31.03)	(29.72)
Interest paid	(379.71)	(369.18)
<b>Net Cash generated from/(used in) Financing Activities</b>	<b>(588.05)</b>	<b>(255.90)</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>68.67</b>	<b>(153.30)</b>
Cash and Cash equivalents at the beginning of the year	63.92	217.23
<b>Cash and Cash equivalents at the end of the year (refer note 11)</b>	<b>132.60</b>	<b>63.92</b>

The accompanying notes are an integral part of the audited financial statements

As per our audit report of even date

**For Sagar & Associates**

Chartered Accountants

**CA B. Aruna**

Partner

Membership No. : 1216454

F. No. 003510S

Place: Visakhapatnam

Date: September 04, 2023

**For and on behalf of the Board of Directors****GBM Ratna Kumari**

Chairperson &amp;

Managing Director

**DIN : 00492520****GS Keerthana**

Whole-Time Director &amp;

Chief Financial Officer

**DIN : 05211918****B. Shiva Krishna**

Company Secretary &amp;

Compliance officer



**Statement of changes in equity**

(All amounts are in ₹ million, except otherwise stated)

**a. Equity share capital**

Particulars	Notes	Amount
<b>Balance as at March 31, 2021</b>	16	<b>97.70</b>
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2021		<b>97.70</b>
Changes in equity share capital during the year		-
<b>Balance as at March 31, 2022</b>	16	<b>97.70</b>
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2022		<b>97.70</b>
Changes in equity share capital during the year		293.10
<b>Balance as at March 31, 2023</b>	16	<b>390.80</b>

**b. Other equity**

Particulars	Notes	Reserves and surplus		Total Equity
		Securities premium	Retained Earnings	
<b>Balance as at March 31, 2021</b>	17	<b>280.25</b>	<b>1,911.91</b>	<b>2,192.16</b>
Profit for the year (Net)		-	436.79	436.79
Other comprehensive income for the year		-	1.94	1.94
<b>Balance as at March 31, 2022</b>	17	<b>280.25</b>	<b>2,350.64</b>	<b>2,630.89</b>
Profit for the year (Net)		-	715.96	715.96
Other comprehensive income for the year		-	0.94	0.94
Utilisations		(280.25)	(12.85)	(293.10)
<b>Balance as at March 31, 2023</b>	17	<b>-</b>	<b>3,054.70</b>	<b>3,054.70</b>

**As per our audit report of even date**

**For Sagar & Associates**

Chartered Accountants

  
**CA B. Aruna**  
Partner  
Membership No. : 216454  
F. No. 003510S  
Place: Visakhapatnam  
Date: September 04, 2023

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



**GBM Ratna Kumari**  
Chairperson &  
Managing Director  
DIN : 00492520



  
**GS Keerthana**  
Whole-Time Director &  
Chief Financial Officer  
DIN : 05211918

  
**B. Shiva Krishna**  
Company Secretary &  
Compliance officer



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 3**

**Property, plant and equipment**

Description of Asset	Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Electrical Installations	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount</b>											
As at 1 Apr, 2021	15.95	77.60	111.03	46.02	206.31	21.91	33.72	165.20	12.48	690.21	65.76
Additions	-	7.64	9.56	-	18.13	1.20	0.16	1.94	0.30	38.93	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-	(35.57)
<b>Closing Gross Carrying Amount (A)</b>	<b>15.95</b>	<b>85.24</b>	<b>120.60</b>	<b>46.02</b>	<b>224.44</b>	<b>23.11</b>	<b>33.88</b>	<b>167.14</b>	<b>12.77</b>	<b>729.14</b>	<b>30.19</b>
<b>Accumulated Depreciation</b>											
Opening accumulated depreciation	-	4.44	22.34	23.20	61.75	6.90	23.16	46.55	9.40	197.75	-
Depreciation charge for the year	-	1.69	8.38	7.76	21.77	3.78	4.04	18.22	1.06	66.71	-
Disposals/adjustments	-	1.21	-	-	-	-	-	-	-	1.21	-
<b>Closing Accumulated Depreciation as at Mar 31, 2022 (B)</b>	<b>-</b>	<b>7.35</b>	<b>30.71</b>	<b>30.97</b>	<b>83.52</b>	<b>10.68</b>	<b>27.20</b>	<b>64.77</b>	<b>10.47</b>	<b>265.67</b>	<b>-</b>
<b>Net Carrying Amount as at Mar 31, 2022 (A-B)</b>	<b>15.95</b>	<b>77.89</b>	<b>89.88</b>	<b>15.06</b>	<b>140.92</b>	<b>12.42</b>	<b>6.67</b>	<b>102.37</b>	<b>2.30</b>	<b>463.47</b>	<b>30.19</b>
<b>Gross Carrying Amount</b>											
As at 1 Apr, 2022	15.95	85.24	120.60	46.02	224.44	23.11	33.88	167.14	12.77	729.14	30.19
Additions	-	3.87	3.45	-	13.14	1.12	1.59	10.25	2.38	35.81	22.81
Disposals/adjustments	0.55	-	-	-	-	(1.36)	-	(0.45)	-	(1.26)	(45.62)
<b>Closing Gross Carrying Amount (C)</b>	<b>16.50</b>	<b>89.11</b>	<b>124.05</b>	<b>46.02</b>	<b>237.58</b>	<b>22.87</b>	<b>35.47</b>	<b>176.94</b>	<b>15.15</b>	<b>763.69</b>	<b>7.38</b>
<b>Accumulated Depreciation</b>											
Opening accumulated depreciation	-	7.35	30.71	30.97	83.52	10.68	27.20	64.77	10.47	265.67	-
Depreciation charge for the year	-	1.72	9.22	5.04	23.81	3.64	2.56	18.65	0.78	65.41	-
Disposals/adjustments	-	-	-	-	-	(1.24)	-	(0.27)	-	(1.52)	-
<b>Closing accumulated depreciation as at Mar 31, 2023 (D)</b>	<b>-</b>	<b>9.07</b>	<b>39.93</b>	<b>36.01</b>	<b>107.33</b>	<b>13.08</b>	<b>29.76</b>	<b>83.15</b>	<b>11.25</b>	<b>329.56</b>	<b>-</b>
<b>Net Carrying Amount as at Mar 31, 2023 (C-D)</b>	<b>16.50</b>	<b>80.05</b>	<b>84.12</b>	<b>10.01</b>	<b>130.26</b>	<b>9.79</b>	<b>5.71</b>	<b>93.80</b>	<b>3.90</b>	<b>434.13</b>	<b>7.38</b>

**(i) Property, plant and equipment mortgaged as security**

Refer to note 43 for information on property, plant and equipment mortgaged as security by the company.

**(ii) Contractual obligations**

Refer to note 39(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(iii) Capital work-in-progress**

The ageing of Capital work-in progress is provided in Note 42.





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 4**

**Investment properties**

Description of Asset	Land	Building	Total
<b>Gross Carrying Amount</b>			
As at 1 Apr, 2021	124.43	77.88	202.30
Additions	2.34	-	2.34
Disposals/adjustments	-	(7.64)	(7.64)
<b>Closing Gross Carrying Amount (A)</b>	126.76	70.24	197.00
<b>Accumulated Depreciation</b>			
Opening accumulated depreciation	-	5.14	5.14
Depreciation charge for the year	-	1.51	1.51
Disposals/adjustments	-	(1.21)	(1.21)
<b>Closing Accumulated Depreciation as at Mar 31, 2022 (B)</b>	-	5.43	5.43
<b>Net Carrying Amount as at Mar 31, 2022 (A-B)</b>	<b>126.76</b>	<b>64.80</b>	<b>191.57</b>
<b>Gross Carrying Amount</b>			
As at 1 Apr, 2022	126.76	70.24	197.00
Additions	0.72	7.52	8.24
Disposals/adjustments	(0.55)	-	(0.55)
<b>Closing Gross Carrying Amount (C)</b>	126.93	77.76	204.69
<b>Accumulated Depreciation</b>			
Opening accumulated depreciation	-	5.43	5.43
Depreciation charge for the year	-	1.56	1.56
Disposals/adjustments	-	-	-
<b>Closing accumulated depreciation as at Mar 31, 2023 (D)</b>	-	6.99	6.99
<b>Net Carrying Amount as at Mar 31, 2023 (C-D)</b>	<b>126.93</b>	<b>70.77</b>	<b>197.70</b>

**Note:**

The Company's investment properties consist of two properties land with civil structure thereon and one freehold land, in India. The fair value of these properties are based on valuations performed by independent valuers for the purposes of bank financing at the time availing/renewing such financing facility. The fair value hierarchy is at level 2, which is derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data (refer note 49(a)(iii) for note on fair value hierarchy).

Fair value of the investment properties

March 31, 2022	275.50
March 31, 2023	278.36





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 5**

**Other intangible assets**

Description of Asset	Software	Total
<b>Gross Carrying Amount</b>		
As at 1 Apr, 2021	4.66	4.66
Additions	-	-
Disposals/adjustments	-	-
<b>Closing Gross Carrying Amount (A)</b>	4.66	4.66
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	2.37	2.37
Depreciation charge for the year	0.42	0.42
Disposals/adjustments	-	-
<b>Closing Accumulated Depreciation as at Mar 31, 2022 (B)</b>	2.79	2.79
<b>Net Carrying Amount as at Mar 31, 2022 (A-B)</b>	<b>1.87</b>	<b>1.87</b>
<b>Gross Carrying Amount</b>		
As at 1 Apr, 2022	4.66	4.66
Additions	-	-
Disposals/adjustments	-	-
<b>Closing Gross Carrying Amount (C)</b>	4.66	4.66
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	2.79	2.79
Depreciation charge for the year	0.28	0.28
Disposals/adjustments	-	-
<b>Closing accumulated depreciation as at Mar 31, 2023 (D)</b>	3.07	3.07
<b>Net Carrying Amount as at Mar 31, 2023 (C-D)</b>	<b>1.59</b>	<b>1.59</b>



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 6**

**Leases**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 01-Apr-2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has used simplified transition approach under Ind AS 116.

**(a) Right-of-use assets**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	216.39	234.69
Add: Addition during the year	0.42	-
Less: Impact on lease termination	-	-
Less: Impact on lease modification	-	-
Less: Amortised during the year	(18.36)	(18.30)
<b>Total</b>	<b>198.45</b>	<b>216.39</b>

**(b) Lease liabilities**

The following is the movement in lease liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	254.11	255.77
Additions	0.42	-
Deletions	-	-
Interest	27.85	28.06
Lease payments	(31.03)	(29.72)
<b>Closing balance</b>	<b>251.35</b>	<b>254.11</b>
Non-current lease liabilities	217.97	223.15
Current lease liabilities	33.38	30.96





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 7 Other financial assets**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Rental deposits - at amortised cost	13.57	13.23
(b) Bank deposits with more than 12 months maturity*	19.72	29.29
<b>Total</b>	<b>33.28</b>	<b>42.52</b>

\*The bank deposit(s) are subject to lien ₹ 19.72 million (₹ 29.18 million)

**Note No. 8 Other non-current assets**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Advances for purchase of property, plant and equipment	0.12	0.76
(b) Balance with govt. authorities	5.66	5.63
(c) Other Deposits	0.32	0.29
<b>Total</b>	<b>6.10</b>	<b>6.68</b>

**Note No. 9 Inventories**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Raw material	98.27	166.74
(b) Work-in-progress	1,205.42	1,146.78
(c) Stock in trade	3,268.34	2,725.10
(d) Finished goods	4,749.21	3,625.08
(e) Packing material and others	14.59	7.80
<b>Total</b>	<b>9,335.83</b>	<b>7,671.50</b>

Cost of inventories hypothecated as security against current borrowings, details of which have been disclosed in Note 43.

For mode of valuation of inventories refer Note 2(o) of Accounting Policies. Also Identification of a specific item and determination of estimated net realisable value involve technical judgments of the management, which has been relied upon by the auditors.

**Note No. 10 Trade receivables**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Considered good - Unsecured	243.83	200.21
(b) Trade Receivables – Credit impaired	5.85	3.54
(c) (Less): Expected credit loss	(5.85)	(3.54)
<b>Total</b>	<b>243.83</b>	<b>200.21</b>

Trade receivables are hypothecated as Security for part of Cash Credit facilities (refer note 43) and ageing of trade receivables is provided in Note 40.

The Company generally operates on a cash and carry model, and hence the expected credit loss allowance for trade receivables is insignificant. The concentration of credit risk is also limited due to the fact that the customer base is large and unrelated. However, the Company has given credit to the franchisee stores and the above receivables consists of ₹ 224.43 million (₹ 176.79 million) from the franchisee stores.





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 11 Cash and cash equivalents**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Balance with banks		
-In Current Accounts #	99.33	48.77
(b) Cash on hand	16.67	6.71
(c) Others - Credit card receivable	16.60	8.45
<b>Total</b>	<b>132.60</b>	<b>63.92</b>

# Balance with bank consists of amount deposited towards CSR unspent amount of ₹ 11.33 million (₹ 4.14 million)

**Note No. 12 Bank balances other than cash and cash equivalents**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Fixed deposits held as margin money against borrowings and guarantees (maturity of less than 12 months from the balance sheet date)^	39.57	20.03
(b) Balances with banks held as margin money	-	2.48
<b>Total</b>	<b>39.57</b>	<b>22.51</b>

^ Other bank deposits represents, fixed deposit with banks with original maturity of more than 3 months but less than 12 months and also the bank deposit(s) are subject to lien ₹ 39.57 million (₹ 19.91 million).

**Note No. 13 Loans**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Employee loans - at amortised cost	1.42	1.70
<b>Total</b>	<b>1.42</b>	<b>1.70</b>

**Break-up of security details**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Loans considered good – unsecured	1.42	1.70
<b>Total</b>	<b>1.42</b>	<b>1.70</b>

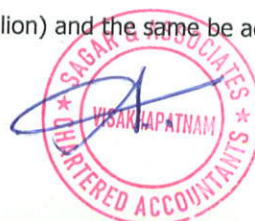
**Note No. 14 Other financial assets**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Rental deposits - at amortised cost	0.54	0.54
(b) Interest accrued	1.66	1.34
(c) Other Receivables	2.08	-
<b>Total</b>	<b>4.29</b>	<b>1.88</b>

**Note No. 15 Other current assets**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>(a) Advances other than capital advances</b>		
(i) Advance for Suppliers	18.01	13.29
<b>(b) Others</b>		
(i) Balances with statutory authorities	53.25	32.68
(ii) Prepaid Expenses #	42.71	14.22
<b>Total</b>	<b>113.96</b>	<b>60.19</b>

# include expenses incurred towards proposed IPO of ₹ 36.79 million (₹ 7.97 million) and the same be adjusted against Securities Premium/ expense depending on outcome of IPO issue.





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 16**

**Equity share capital**

**(i) Authorised equity share capital**

Particulars	Number of Shares	Amount
As at 31st Mar, 2021	1,00,00,000	100.00
Movement during the year	-	-
As at 31st Mar, 2022	1,00,00,000	100.00
Movement during the year	4,50,00,000	450.00
As at 31st Mar, 2023	5,50,00,000	550.00

**(ii) Movement in paid-up equity share capital**

Particulars	Number of Shares	Amount
As at 31st Mar, 2021	97,70,000	97.70
Movement during the year	-	-
As at 31st Mar, 2022	97,70,000	97.70
Add: Allotment during the year (bonus issue)	2,93,10,000	293.10
As at 31st Mar, 2023	3,90,80,000	390.80

**Terms and Rights attached to Equity Shares**

The Company has one class of equity shares having a par value of ₹ 10/- each (₹ 10/- each). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii) Details of shareholders holding more than 5% shares in the company**

For the year ended March 31, 2023

Name of the Shareholder	Number of shares	% holding
1. Grandhi Bharata Mallika Ratna Kumari (HUF)#	2,93,50,400	75.10
2. GBM Ratna Kumari	53,52,000	13.70
3. Harshil Enterprises (India) Private Limited	42,57,600	10.90

For the year ended March 31, 2022

Name of the Shareholder	Number of shares	% holding
1. Grandhi Bharata Mallika Ratna Kumari (HUF)#	73,37,600	75.10
2. GBM Ratna Kumari	13,38,000	13.70
3. Harshil Enterprises (India) Private Limited	10,64,400	10.90

# (Formerly known as G. Manoj Kumar (HUF))

**(iv) Shares held by promoters**

At the end of the year ended March 31, 2023

Name of the Promoter	Number of shares	% holding	% Change during the year
1. Grandhi Bharata Mallika Ratna Kumari (HUF)#	2,93,50,400	75.10	Nil
2. GBM Ratna Kumari	53,52,000	13.70	Nil
3. G. Sai Keerthana	40,000	0.10	Nil

At the end of the year ended March 31, 2022

Name of the Promoter	Number of shares	% holding	% Change during the year
1. Grandhi Bharata Mallika Ratna Kumari (HUF)#	73,37,600	75.10	Nil
2. GBM Ratna Kumari	13,38,000	13.70	Nil
3. G. Sai Keerthana	10,000	0.10	Nil

# (Formerly known as G. Manoj Kumar (HUF))

**(v) Aggregate number and class of shares allotted as fully paid up for consideration other than cash, bonus, buy back for the period of 5 years immediately preceding the Balance Sheet date**  
Pursuant to the approval of the members of the Company on August 10, 2022, the Board of directors at their meeting held on August 12, 2022 have allotted bonus equity shares in the ratio of 3:1 (i.e. 3 (three) fully paid bonus equity shares of ₹10 each for every 1 (one) equity share held by them).





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 17 Other equity**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Securities premium (refer movement below)	-	280.25
(b) Retained Earnings including OCI (refer movement below)	3,054.70	2,350.64
<b>Total</b>	<b>3,054.70</b>	<b>2,630.89</b>

**(i) Securities premium**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Opening Balance	280.25	280.25
(b) Additions / (Utilisations)	(280.25)	-
(c) Closing Balance	-	<b>280.25</b>

**(ii) Retained Earnings**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Opening Balance	2,350.64	1,911.91
(b) Net profit for the year	715.96	436.79
	3,066.60	2,348.71
(c) OCI on Gratuity and Leave Encashment	1.26	2.59
(d) Deferred Tax on OCI portion	(0.32)	(0.65)
(e) Utilisation	(12.85)	-
(f) Closing balance	<b>3,054.70</b>	<b>2,350.64</b>

**Note No. 18 Financial liabilities non-current borrowings**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Secured - Long Term Loans from banks</b>		
(a) Term loans from banks *	616.02	590.26
(b) Vehicle loans from banks #	-	-
<b>Unsecured loan</b>		
Loan taken from related party @	450.00	450.00
<b>Total</b>	<b>1,066.02</b>	<b>1,040.26</b>

\* Term Loans from Banks are secured by first charge on fixed assets of the company both present and future (For details Refer Note No 43)

# Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 43).

@ The amount pertains to interest free loan taken from "Grandhi Bharata Mallika Ratna Kumari (HUF)" and there are no specific terms and conditions with regards to repayment and interest. The amount has been brought in by the shareholder to adhere to the covenant for the sanction of Working capital loan taken from State Bank of India.

**Note No. 19 Non-current other financial liabilities**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Security deposits - at amortised cost	4.52	2.12
<b>Total</b>	<b>4.52</b>	<b>2.12</b>

**Note No. 20 Provisions**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Provision for employee benefits (refer note 45)	37.51	34.95
<b>Total</b>	<b>37.51</b>	<b>34.95</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 21 Deferred tax liabilities/(assets) (Net)**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
The balance comprises temporary differences attributable to:		
Deferred tax liabilities - Opening	(20.73)	(11.33)
Impact in the current year	(7.72)	(9.40)
<b>Total</b>	<b>(28.45)</b>	<b>(20.73)</b>

**As at Mar 31, 2023**

Particulars	Opening balance April 01, 2022	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	2.45	(3.58)	-	(1.13)
Other Adjustments	(23.18)	(4.46)	0.32	(27.32)
<b>Total</b>	<b>(20.73)</b>	<b>(8.04)</b>	<b>0.32</b>	<b>(28.45)</b>

**As at Mar 31, 2022**

Particulars	Opening balance April 01, 2021	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	7.25	(4.80)	-	2.45
Other Adjustments	(18.58)	(5.25)	0.65	(23.18)
<b>Total</b>	<b>(11.33)</b>	<b>(10.06)</b>	<b>0.65</b>	<b>(20.73)</b>

**Note No. 22 Financial liabilities current borrowings**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Secured</b>		
(a) Loans repayable on demand from banks (refer note 43)	3,358.66	3,562.74
(b) Current maturities for long term debt	175.35	174.34
(c) Current maturities of vehicle loans	-	-
<b>Total</b>	<b>3,534.01</b>	<b>3,737.09</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 23 Trade payables**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Trade Payables to third parties		
- Due to micro, small and medium enterprises*	-	40.63
- Others	380.45	845.42
<b>Total</b>	<b>380.45</b>	<b>886.05</b>

\*Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Principal amount remaining unpaid to any supplier as at year end	-	40.63
(b) Interest due on above and remaining unpaid as at year end	-	-
(c) Principal/interest amount paid beyond the appointed day during the year	0.55	11.29
(d) Interest paid on payments made beyond the appointed day during the year u/s 16 of MSMED Act, 2006	-	0.57
(e) Interest due and Payable on payments made beyond the appointed day during the year other than MSMED Act, 2006	-	-
(f) Interest remaining due and payable for the period of delay in earlier years	-	-

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

**Note No. 24 Other financial liabilities**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Interest accrued on loans	7.57	6.51
(b) Deferred rental income	7.49	4.65
(c) Due to related parties	2.24	2.53
(d) Other financial current liabilities	0.54	2.05
<b>Total</b>	<b>17.85</b>	<b>15.73</b>

**Note No. 25 Other current liabilities**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Advances from Customers (refer note 47)	1,888.38	190.33
(b) Creditors for expenses	90.69	68.59
(c) Statutory dues payable	44.61	14.47
(d) Capital creditors	0.01	0.75
<b>Total</b>	<b>2,023.69</b>	<b>274.13</b>

**Note No. 26 Provisions**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Provision for employee benefits (refer note 45)	8.17	8.64
<b>Total</b>	<b>8.17</b>	<b>8.64</b>

**Note No. 27 Current tax liabilities (Net)**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Current tax assets	-	-
Current tax liabilities	9.50	13.65
<b>Total</b>	<b>9.50</b>	<b>13.65</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 28 Revenue from operations**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
<b>Retail sales</b>		
(i) Gold Ornaments	16,177.53	13,222.42
(ii) Gold (Exchange Gold) #	1,913.00	1,938.91
(iii) Silver Articles	803.12	678.89
(iv) Platinum Ornaments	11.31	9.96
(v) Diamond	822.95	650.40
(vi) Stones	535.84	433.61
(vii) Others	9.68	4.99
<b>Total</b>	<b>20,273.44</b>	<b>16,939.19</b>

On April 01, 2018 the Company adopted Ind AS 115 "Revenue from Contracts with Customers". Refer note 2(e) for the accounting policies followed pursuant to adoption of Ind AS 115. The adoption of Ind AS 115 did not have any material impact.

# During the year, old gold ornaments received from the customers on exchange basis are sent for refining purpose on sales/purchases mode.

**Note No. 29 Other income**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(a) Interest Income		
(i) On bank deposits	2.80	2.12
(ii) Others	1.49	1.11
(c) Net gain on foreign currency transactions and translations	-	0.12
(d) Other non-operating Income		
(i) Rental Income	28.03	20.65
(ii) Net gain on disposal of assets	0.07	-
(iii) Others	7.21	13.79
<b>Total</b>	<b>39.60</b>	<b>37.80</b>

**Note No. 30 (a) Cost of raw material consumed**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(i) Opening stock of raw material	166.74	63.39
(ii) Add: Purchases of raw material	12,057.99	9,869.43
(iii) Less: Closing stock of raw material	(98.27)	(166.74)
<b>Total (a)</b>	<b>12,126.47</b>	<b>9,766.08</b>

**Note No. 30 (b) Purchases of stock-in-trade**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
<b>Retail Purchases</b>		
(i) Gold Ornaments	5,728.74	5,037.20
(ii) Silver Articles	700.92	564.53
(iii) Platinum Ornaments	13.84	8.87
(iv) Diamond	556.73	489.65
(v) Stones	216.73	147.55
(vi) Others	10.70	3.74
<b>Total (b)</b>	<b>7,227.67</b>	<b>6,251.53</b>
<b>Total ((a) + (b))</b>	<b>19,354.14</b>	<b>16,017.61</b>



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 31 Changes in inventories**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
<b>(a) Stock at the end of the year</b>		
(i) Work in progress	1,205.42	1,146.78
(ii) Stock in trade	3,268.34	2,725.10
(iii) Finished goods	4,749.21	3,625.08
<b>(b) Stock at the beginning of the year</b>		
(i) Work in progress	1,146.78	912.07
(ii) Stock in trade	2,725.10	2,461.28
(iii) Finished goods	3,625.08	2,967.79
<b>Total changes in inventories (b - a)</b>	<b>(1,726.01)</b>	<b>(1,155.81)</b>

**Note No. 32 Employee benefits expense**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(a) Salaries and Wages	359.85	303.82
(b) Director's remuneration	30.78	22.59
(c) Contribution to Provident Fund & ESI (refer note 45)	15.52	13.61
(d) Staff Welfare Expenses	11.30	9.20
(e) Gratuity (refer note 45)	7.22	6.95
<b>Total</b>	<b>424.68</b>	<b>356.17</b>

**Note No. 33 Finance costs**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(a) Interest on Term Loans	68.96	49.79
(b) Interest on vehicle loans	-	0.08
(c) Interest on Working Capital Loans	311.23	319.98
(d) Interest unwinding on rental deposits	0.41	0.21
(e) Interest on lease rental discounting (refer note 37)	27.85	28.06
(f) Interest on Others	5.50	5.87
<b>Other Borrowing Costs</b>		
(a) Loan Processing & Renewal Charges	12.25	12.35
<b>Total</b>	<b>426.19</b>	<b>416.33</b>

**Note No. 34 Depreciation and amortization expense**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(a) Depreciation of Property, Plant and Equipment (refer note 3)	65.41	66.71
(b) Amortisation of Intangible Assets (refer note 5)	0.28	0.42
(c) Depreciation of Investment properties (refer note 4)	1.56	1.51
(d) Amortisation of right-of-use assets (refer note 6)	18.36	18.30
<b>Total</b>	<b>85.61</b>	<b>86.94</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 35 Other expenses**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
(a) Job work charges	393.93	335.21
(b) Freight and forwarding charges	9.56	10.75
(c) Electricity expenses	19.64	15.87
(d) Rent (refer note 37)	13.75	20.43
(e) Repairs and maintenance		
(i) Building	3.02	0.42
(ii) Plant and equipment	9.36	12.07
(iii) Computers	5.87	4.43
(f) Insurance	9.00	8.08
(g) Rates and Taxes	9.69	12.69
(h) Telephone expenses	1.84	1.69
(i) Travelling expenses	16.20	10.66
(j) Conveyance	5.03	4.20
(k) Legal and Professional charges	18.05	17.67
(l) Remuneration to auditor		
for audit services	1.30	1.33
for taxation matters	0.20	0.20
(m) Directors Sitting Fees	1.23	-
(n) Printing & Stationery	7.76	4.96
(o) Postage & Courier Charges	0.12	0.11
(p) Books & Periodicals	0.28	0.81
(q) Charities & Donations	0.06	0.16
(r) CSR Expenses*	0.97	2.31
(s) Loss on foreign currency transactions and translations (net)	0.02	-
(t) Advertisement Expenses	88.83	59.94
(u) Discount allowed	21.11	46.37
(v) Other Selling and Distribution Expenses	69.72	26.71
(w) Provision for doubtful trade receivables	2.31	3.54
(x) Bank Charges	8.80	7.19
(y) Credit Card Service Charges	30.76	24.71
(z) Security Services	13.76	11.08
(aa) House Keeping expenses	7.97	6.52
(ab) Miscellaneous expenses	19.95	21.53
<b>Total</b>	<b>790.08</b>	<b>671.64</b>

\*Disclosures in relation to corporate social responsibility expenditure

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Gross amount required to be spent as per Section 135 of the Act	8.18	7.48
Amount spent during the year on	0.97	2.31
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	0.97	2.31
Amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	7.22	5.17
Reason for shortfall*		

\* The unspent CSR amount of the FY 2022-23 and FY 2021-22 was transferred to an unspent CSR account which was earmarked to be spent on respective ongoing projects.



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 36**

**Earnings per equity share**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Profit for the year	715.96	436.79
Add / Less: Dividend tax	-	-
Profit after tax attributable for equity share holders	715.96	436.79
Number of equity shares (nos.)	3,90,80,000	3,90,80,000
Weighted average number of equity shares (nos.) - Considering Bonus Impact (Refer Note no 16(v))	3,90,80,000	3,90,80,000
Face value of equity share (in ₹)	10	10
Earnings per share (in ₹)		
Basic	18.32	11.18
Diluted	18.32	11.18

**Note No. 37**

**Right-of-use assets and Lease liabilities**

**(i) Amounts recognised in the statement of profit and loss**

The statement of profit or loss shows the following amounts relating to leases

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Depreciation charge of right-of-use assets (refer note 34)	18.36	18.30
Interest expense (included in finance costs) (refer note 33)	27.85	28.06
Expense relating to short-term leases (refer note 35)	13.75	20.43

**(ii) Contractual maturities of lease liabilities excluding interest thereon on an undiscounted basis**

Particulars	Less than 1 year	1-5 years	More than 5 years
Balance as at			
March 31, 2022	30.96	178.01	312.76
March 31, 2023	33.38	145.11	312.76

**(iii) Extension and termination options**

Extension and termination options are included in a number of property and equipment leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of termination options held are exercisable only by the company and not by the respective lessor. In case the company wishes to extend the lease, the same can be done on mutually agreeable basis with the lessor.

**Critical judgements in determining the lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Also the company has used the discounting rate as 10% (the borrowing rate from the banks) for the purpose of arriving at present value.

**For leases of retail stores, the following factors are normally the most relevant**

- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Most extension options in retail leases have been included in the lease liability, because the company only has the right to extend the lease (only with the approval of the lessor) and has incurred lease hold improvements in them.
- The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.
- If there are significant penalty payments to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 38**

**Amounts recognised in profit or loss for**

Assets given on lease

a) The Company enters into cancellable/non-cancellable operating lease arrangements for its commercial building premises. There are no minimum lease payments receivable basis the agreement. The details are as follows:

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Rental income from operating leases	28.03	20.65
Depreciation	(1.56)	(1.51)
Profit from investment properties	<b>26.47</b>	<b>19.15</b>

**Note No. 39**

**Contingent liabilities and commitments**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>(a) Contingent liabilities</b>		
Income tax (AY 2013-14) \$	69.91	69.91
Civil Suit #	8.85	8.85
<b>Total (a)</b>	<b>78.76</b>	<b>78.76</b>

\$ Due to untimely demise of Sri Mr. Manoj Kumar Grandhi, who was the Karta of our promoter Manoj Kumar Grandhi (HUF) (now Grandhi Bharata Mallika Ratna Kumari (HUF)) ("HUF"), the bank account of the HUF had to be closed and operations of the HUF inevitably stopped. Due to the same, the cash collections in the HUF was stopped, and thereafter deposited in the bank account of our Company as a temporary safety measure, and necessary accounting was carried out in the HUF including transfer entries. The Deputy Commissioner of Income Tax ("Appellant") passed an order against our Company for recovery of ₹ 69.91 million under Section 271D Income Tax Act, 1961 ("Act") towards alleged violation of Section 269SS of the Act for the Assessment Year 2013-14. The Appellant order was dismissed at The Commissioner of Income Tax (Appeals) on February 25, 2019 and also at Income Tax Appellate Tribunal (ITAT) on November 23, 2020. The Department filed an appeal against the same in the High Court of Andhra Pradesh, principal bench on April 1, 2021. The case is under admission level at High court.

# The Company had entered into term sheet to take premises, on leases basis, of M/s Hotel Jyothi Swaroopa, a registered partnership firm ("Complainant") on September 5, 2011 and paid ₹ 1.10 million as advance. However, before reducing the terms into agreement and execution thereof, the Company had decided not to be party with the agreement being the failure of the Complainant to satisfactorily prove the property ownership title. Aggrieved by this, the Complainant filed a petition dated July 4, 2014 before the IIInd Additional District Court at Visakhapatnam. Our Company has, on December 1, 2014 filed a counter claim petition against the Complainant for recovery of the advance paid by our Company to the Complainant, with an interest of 24% per annum, amounting to ₹ 1.87 million.

**Contingent liabilities and commitments**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>(b) Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	-	2.32
(ii) Estimated amount of contracts remaining to be executed on account of other purchase commitments	-	-
<b>Net Capital Commitments - Total (b)</b>	-	2.32
<b>Total (a) + (b)</b>	<b>78.76</b>	<b>81.08</b>



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 40 Trade Receivables Ageing Schedule**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(i) Undisputed Trade receivables – considered good		
Less than 6 Months	237.79	198.80
6 Months - 1 Year	6.04	1.40
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
(ii) Undisputed Trade Receivables – credit impaired	5.85	3.54
(Less): Expected credit loss	(5.85)	(3.54)
<b>Total</b>	<b>243.83</b>	<b>200.21</b>

**Note No. 41 Trade payables Ageing Schedule**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(i) MSME		
Less than 1 year	-	40.63
(ii) Others		
Less than 1 year	337.78	845.21
1-2 years	42.67	0.21
<b>Total</b>	<b>380.45</b>	<b>886.05</b>

**Note No. 42 Capital Work In Progress ageing schedule**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Projects in progress		
Less than 1 year	-	18.95
1-2 years	7.38	1.22
2-3 years	-	7.70
More than 3 years	-	2.32
<b>Total</b>	<b>7.38</b>	<b>30.19</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 43**

**(a) Nature of security for short-term borrowings**

Particulars	SBI/ UBI/ Axis/ HDFC/ Canara/ Federal
Primary Security	<b>(For the years ended March 31, 2023 and 2022)</b> Pari-passu first charge on current assets of the company, both present and future, along with other working capital lenders.
Collateral Security	<p><b>A. Pari passu 1st charge by way of equitable mortgage along with other WC lenders on:</b> <b>(For the years ended March 31, 2023 and 2022)</b></p> <ol style="list-style-type: none"> <li>1. Shop Nos. A-1, A3 and A-17 at D.No. 47-15-7 Visakhapatnam standing in the names of the Company/Legal heirs of Late Sri. G. Manoj Kumar (total undivided land to the extent of 35 Sq. yards)</li> <li>2. House site at D No.7-6-12, Plot No. 15, at Visakhapatnam belonging to Mrs. GBM Ratna Kumari, CMD (admeasuring 444 Sq. yards)</li> <li>3. Plot No. C-536 at Kapuluppada, Visakhapatnam standing in the names of GBM Ratna Kumari, CMD &amp; 2 Others (admeasuring 605.68 Sq. Yards)</li> <li>4. Open land at Amalapuram belonging to standing in the names of Mrs. GBM Ratna Kumari, CMD and Ms. G. Sai Keerthana, Director (admeasuring 13,421.61 Sq. yards and 13,474.64 Sq. yards)</li> <li>5. V-Square land admeasuring 2865.65 sq. yards. and buildings there on located at D.No.47-15-8,9,9/1, Visakhapatnam</li> <li>6. Corporate Office land adm.893.80 sq. yards. and buildings thereon located at D.No.47-10-19, Visakhapatnam</li> <li>7. All fixed assets of the Company</li> <li>8. Land admeasuring 2,501.66 Sq. Yards, covered by S.No 355/6C situated at Madhurawada, Visakhapatnam standing in the name of the Company</li> </ol> <p><b>B. Pledge</b> <b>(For the year ended March 31, 2023)</b></p> <ol style="list-style-type: none"> <li>1. TDRs with SBI totaling to ₹. 39.46 Mn on pari passu basis</li> <li>2. The Company has placed an FDR of ₹. 19.60 Million, for release of shares pledged.</li> <li>3. Pledge of shares of the Company to the extent of 20% of the paid up share capital and released on 30th May, 2022 on placing of FDR.</li> </ol> <p><b>(For the year ended March 31, 2022)</b></p> <ol style="list-style-type: none"> <li>1. TDRs with SBI totaling to ₹. 37.99 Million on pari passu basis</li> <li>2. The Company has placed an FDR of ₹. 9.80 Million, for release of shares pledged.</li> <li>3. Pledge of shares of the Company to the extent of 20% of the paid up share capital and released on 30th May, 2022 on placing of FDR.</li> </ol>
<b>For the years ended March 31, 2023 and 2022</b>	
Personnel guarantee	<div>Mrs. GBM Ratna Kumari Mrs. G. Sai Sindhuri Mrs. G. Sai Keerthana Ms. GDKS Sarayu</div> <div>Owners of Collateral Securities</div>
Terms of Payment	Repayable on demand
Interest rate	<b>On Cash credit</b> 9.15% to 10.70% p.a. - For the year ended Mar 31, 2023 6.75% to 9.9% p.a. - For the year ended Mar 31, 2022





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**(b) Nature of Security and terms of repayment for term loans from banks:**

**For the year ended March 31, 2023**

Bank	Terms of Payment	Int. Rate
HDFC Bank @	Repayable in 16 monthly of ₹.12,50,000/- each commencing from July 2024. Balance No. of Installments - 16	9.25% - March 31, 2023

**For the years ended March 31, 2023 and 2022**

**Nature of Security and terms of repayment for GECL/CECL loans from banks:**

Bank	Terms of Payment	Int. Rate
Federal Bank ^^	Repayable in 48 monthly EMI of ₹.12,15,191/- each commencing from April 2022. Balance No. of Installments - 36 (March 31, 2022 - 48)	6.75% - March 31, 2022 9.25% - March 31, 2023
HDFC Bank @	Repayable in 47 monthly of ₹. 87,65,957/- each commencing from April 2022. Balance No. of Installments 35 (March 31, 2022 - 47)	6.75% - March 31, 2022 9.00% - March 31, 2023
HDFC Bank @	Repayable in 48 monthly of ₹.41,25,000/- each commencing from April 2022. Balance No. of Installments - 36 (March 31, 2022 - 48)	6.75% - March 31, 2022 9.00% - March 31, 2023
HDFC Bank @	Repayable in 48 monthly of ₹.6,25,000/- each commencing from April 2022. Balance No. of Installments -36 (March 31, 2022 - 48)	6.75% - March 31, 2022 9.00% - March 31, 2023
Union Bank ^^	Repayable in 48 monthly of ₹.15,83,333./- each commencing from March 2024. Balance No. of Installments - 48 (March 31, 2022 - 48)	7.85% - March 31, 2022 7.85% - March 31, 2023

^^ GECL loan is secured with second charge on all primary and collateral securities available for existing facilities

@ GECL Loan is secured with extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of Bank



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 44**

**Reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Profit before tax-A	958.35	584.12
Tax rate - B	25.17%	25.17%
Income tax expense - A*B	241.20	147.01
Tax effect of depreciation that is not deductible in determining taxable profit	3.99	4.09
Tax effect of expenses other than depreciation that are not deductible in determining taxable profit	(10.25)	(12.53)
Adjustments recognised in the current year in relation to prior years	0.04	0.00
Effect of Deferred Tax (refer note 21)	7.72	9.40
<b>Income tax expense recognised in profit or loss</b>	<b>242.70</b>	<b>147.98</b>

**Note No. 45**

Employee benefits

**(a) Defined contribution plan**

The Company makes provident and pension fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes. Expenses recognized against defined contribution plans:

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Contributions to provident and pension funds	15.52	13.61

**(b) Defined benefit plans**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

**(c) Other disclosures of defined benefit plans as required under Ind AS-19 are as under:**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Service Cost	4.70	4.66
Interest Cost	2.52	2.29
Components of defined benefit costs recognised in statement of profit or loss - <b>(A)</b>	7.22	6.95
Actuarial (gain) / loss on plan obligations	(1.26)	(2.59)
Difference between actual return and interest income on plan assets - (gain) /loss	-	-
Components of defined benefit costs recognised in other comprehensive income - <b>(B)</b>	(1.26)	(2.59)
<b>Total (A+B)</b>	<b>5.96</b>	<b>4.37</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**(d) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Present value of defined benefit obligation	45.68	43.59
Less: Fair value of plan assets	-	-
Net liability recognised in the balance sheet	45.68	43.59
Current portion of the above (refer note 26)	8.17	8.64
Non-current portion of the above (refer note 20)	37.51	34.95

**(e) Movement in the present value of the defined benefit obligation are as follows**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Present value of defined benefit obligation at the beginning of the year	43.59	41.30
Expenses Recognised in statement of Profit & Loss		
Service cost	4.70	4.66
Past service cost	-	-
Interest cost	2.52	2.29
Expenses Recognised in statement of OCI		
Actuarial (gain)/loss	(1.26)	(2.59)
Benefits paid by the company	(3.87)	(2.07)
Present value of the defined benefit obligation at the end of the year	<b>45.68</b>	<b>43.59</b>

**(f) Sensitivity analysis**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Present value of the defined benefit obligation at the end of the year	45.68	43.59
<b>Impact of the change in the discount rate</b>		
Impact due to increase of 0.50%	44.63	42.60
Impact due to decrease of 0.50%	46.79	44.63
<b>Impact of the change in the withdrawal rate</b>		
Impact due to increase of 0.50%	45.81	43.55
Impact due to decrease of 0.50%	45.53	43.62
<b>Impact of the change in the salary</b>		
Impact due to increase of 0.50%	46.70	44.55
Impact due to decrease of 0.50%	44.70	42.67

**(g) Maturity profile - Expected Future Cash flows (Undiscounted)**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
0 to 1 year	8.17	8.64
1 to 2 year	6.69	6.78
2 to 3 year	6.96	6.80
3 to 4 year	6.67	4.47
4 to 5 year	4.68	4.61
5 year onwards	18.74	15.67





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**(h) Actuarial assumptions**

Particulars	Year ended Mar 31, 2023	Year ended Mar 31, 2022
Discount rate	7.35%	6.40%
Salary escalation	6.50%	6.50%
Withdrawal rate	15%	15%
Method used	Project unit-credit method	

(i) The Indian Parliament has approved the Code on Social Security 2020, which would impact Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972, etc. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The impact of the changes, will be assessed and recognized post notification of the relevant provision and related rules are published.

**Note No. 46**

**Segment reporting**

The Company is primarily engaged in the business of retail trade through retail and departmental stores facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended 31 March 2023 and 2022 the revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 47**

**Related Party Disclosures**

**a) List of related parties**

S.No	Nature of relationship	Name of the related party
1	<b>Key Managerial Personnel (KMP)</b>	(a) Bharata Mallika Ratna Kumari Grandhi Chairperson & Managing Director (b) G S V Amarendra Director (till 30th August 2021) (c) Grandhi Sai Keerthana Whole time Director & Chief Financial Officer (d) Satish Ramanujakoodam Chief Executive Officer (resigned on 31st July, 2023) (e) Gontla Rakhal Chief Operating Officer (f) Bhandari Shiva Krishna Company Secretary & Compliance Officer
2	<b>Relative of KMP</b>	(a) Grandhi Sai Sindhuri Director & Daughter of CMD (b) Grandhi Krishna Kumari Mother in law of CMD
3	<b>Enterprises over which director is having significant influence</b>	(a) G B M Ratna Kumari (HUF) (b) Manoj Vaibhav Jewellers Private Limited. (c) Harshil Enterprises (India) Private Limited (d) Vaibhav Hotels & leisures (Visakhapatnam) Private Limited (e) Vaibhav Jewellers Private Limited

**(b) Transactions with related parties are set out in the table below**

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
<b>(i) Sale of Jewellery</b>		
(a) G B M Ratna Kumari (HUF)	3,737.52	2,482.31
(b) Manoj Vaibhav Jewellers Private Limited	0.96	0.66
(c) Vaibhav Jewellers Private Limited	6.32	6.83
<b>(ii) Purchase of Jewellery</b>		
(a) G B M Ratna Kumari (HUF)	-	-
(b) Vaibhav Jewellers Private Limited	1.76	1.32
<b>(iii) Purchase of others</b>		
(a) G B M Ratna Kumari (HUF)	6.53	1.86
(b) Manoj Vaibhav Jewellers Private Limited	-	1.20
<b>(iv) Remuneration</b>		
(a) Bharata Mallika Ratna Kumari Grandhi	23.52	18.43
(b) Grandhi Sai Keerthana	5.08	2.65
(c) Grandhi Sai Sindhuri	2.19	1.51
(d) Satish Ramanujakoodam	13.76	11.02
(e) Gontla Rakhal	2.25	-
(f) Bandari Shiva Krishna	1.38	1.17
<b>(v) Rental expenses</b>		
(a) Grandhi Krishna Kumari	0.87	0.87
(b) G B M Ratna Kumari (HUF)	-	-
<b>(vi) Rental Income</b>		
(a) G B M Ratna Kumari (HUF)	1.18	0.79
<b>(vii) Reimbursement of expenses</b>		
(b) G B M Ratna Kumari (HUF)	0.39	0.52
<b>(viii) Royalty</b>		
(a) G B M Ratna Kumari (HUF)	0.12	0.12



**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**c. Related party balances: payable/(receivable)**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Bharata Mallika Ratna Kumari Grandhi	0.62	1.55
Grandhi Sai Keerthana	0.37	0.41
Satish Ramanujakoodam	0.80	0.25
Grandhi Sai Sindhuri	0.08	0.17
Bandari Shiva Krishna	0.16	0.14
Grandhi Krishna Kumari	-	-
Gontal Rakhal	0.22	-
G B M Ratna Kumari (HUF)	-	-
- Unsecured loans	450.00	450.00
- Advances received from customers	-	85.51
Vaibhav Hotels & leisures (Visakhapatnam) Private Limited	-	-





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 48**

**Capital and Financial risk management objectives and policies**

**(a) Risk management framework**

Company is being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations.

The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has an owner, who coordinates the risk management process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk;
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations; and
- Improve financial returns

**Treasury management**

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies.

**Commodity price risk**

Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products to consumers directly through showrooms and there is a regular negotiation/adjustment of prices on the basis of changes in the commodity prices.

**Financial risk**

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

**(i) Liquidity**

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company has been rated by ICRA Limited for its banking facilities in line norms.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

The Company has hypothecated its trade receivables, inventory, advances and other current assets in order to fulfil the collateral requirements for the financial facilities in place. There are no other significant terms and conditions associated with the use of collateral.

**Maturity profile of financial liabilities**

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date

Particulars	Carrying value	less than 1 year	more than 1 year
<b>Mar 31, 2023</b>			
Lease liabilities	251.35	33.38	217.97
Borrowings - Non current	1,066.02	-	1,066.02
Other financial non-current liabilities	4.52	-	4.52
Borrowings	3,534.01	3,534.01	-
Trade payables	380.45	380.45	-
Other financial liabilities	17.85	17.85	-
<b>Total</b>	<b>5,254.21</b>	<b>3,965.70</b>	<b>1,288.51</b>
<b>Mar 31, 2022</b>			
Lease liabilities	254.11	30.96	223.15
Borrowings - Non current	1,040.26	-	1,040.26
Other financial non-current liabilities	2.12	-	2.12
Borrowings	3,737.09	3,737.09	-
Trade payables	886.05	886.05	-
Other financial liabilities	15.73	15.73	-
<b>Total</b>	<b>5,935.35</b>	<b>4,669.83</b>	<b>1,265.52</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**(ii) Foreign currency 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 exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the other payables. The risks primarily relate to fluctuations in US Dollar, GBP against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

**(iii) Credit risk**

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with Company's policy. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.. Since company operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.

**(b) Capital management and Gearing Ratio**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Borrowings</b>		
Non current	1,066.02	1,040.26
Current	3,534.01	3,737.09
<b>Debt</b>	4,600.03	4,777.34
Equity share capital	390.80	97.70
Other equity	3,054.70	2,630.89
<b>Total capital</b>	3,445.50	2,728.59
<b>Gearing ratio in % (Debt/ capital)</b>	1.34	1.75

**Note No. 49**

**Financial instrument and risk management**

**(a) Categories of financial instruments**

The carrying value of the financial instruments by categories

Particulars	Carrying value	
	As at Mar 31, 2023	As at Mar 31, 2022
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Other non-current financial assets	33.28	42.52
Trade receivables	243.83	200.21
Cash and cash equivalents	132.60	63.92
Bank balances other than cash and cash equivalents	39.57	22.51
Loans	1.42	1.70
Other financial assets	4.29	1.88
<b>Total</b>	<b>454.99</b>	<b>332.75</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Lease liabilities	251.35	254.11
Borrowings - Non current	1,066.02	1,040.26
Other financial non-current liabilities	4.52	2.12
Borrowings - current	3,534.01	3,737.09
Trade payables	380.45	886.05
Other financial liabilities	17.85	15.73
<b>Total</b>	<b>5,254.21</b>	<b>5,935.35</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

The fair value of the financial instruments by categories

Particulars	Fair Value	
	As at Mar 31, 2023	As at Mar 31, 2022
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Other financial non-current assets	33.28	42.52
Trade receivables	243.83	200.21
Cash and cash equivalents	132.60	63.92
Bank balances other than cash and cash equivalents	39.57	22.51
Loans	1.42	1.70
Other financial assets	4.29	1.88
<b>Total</b>	<b>454.99</b>	<b>332.75</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Lease liabilities	251.35	254.11
Borrowings	1,066.02	1,040.26
Other financial non-current liabilities	4.52	2.12
Borrowings	3,534.01	3,737.09
Trade payables	380.45	886.05
Other financial liabilities	17.85	15.73
<b>Total</b>	<b>5,254.21</b>	<b>5,935.35</b>

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) The Company has disclosed financial instruments such as borrowings, trade payable, and other current liabilities, loans, trade receivable, cash and cash equivalents and bank balances other than cash and cash equivalents at carrying value because their carrying values are a reasonable approximation of the fair values due to their short term nature.
- (ii) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party.
- (iii) **Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**Disclosures of fair value measurement hierarchy for financial instruments are given below**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Level 3</b>		
<b>Financial Assets, measured at Amortised Cost</b>		
Other financial non-current assets	33.28	42.52
Trade receivables	243.83	200.21
Cash and cash equivalents	132.60	63.92
Bank balances other than cash and cash equivalents	39.57	22.51
Loans	1.42	1.70
Other financial assets	4.29	1.88
<b>Total</b>	<b>454.99</b>	<b>332.75</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Lease liabilities	251.35	254.11
Borrowings	1,066.02	1,040.26
Other financial non-current liabilities	4.52	2.12
Borrowings	3,534.01	3,737.09
Trade payables	380.45	886.05
Other financial liabilities	17.85	15.73
<b>Total</b>	<b>5,254.21</b>	<b>5,935.35</b>





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 50**

**Key Ratios**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>a) Current Ratio:</b>	<b>1.64</b>	<b>1.62</b>
Current Assets	9,871.49	8,021.91
Current Liabilities	6,007.05	4,966.26
<b>b) Debt Equity:</b>	<b>1.34</b>	<b>1.75</b>
Total Debt (long-term and short-term interest bearing)	4,600.03	4,777.34
Shareholder's Equity	3,445.50	2,728.59
<b>c) Debt Service Coverage Ratio:</b>	<b>2.97</b>	<b>2.66</b>
Earnings available for Debt Service	898.37	601.66
Debt Service	302.17	225.87
<b>d) Return on Equity:</b>	<b>23.19%</b>	<b>17.41%</b>
Net Profits after taxes	715.96	436.79
Average Shareholder's Equity	3,087.04	2,509.23
<b>e) Inventory Turnover Ratio:</b>	<b>2.38</b>	<b>2.41</b>
Total Sales	20,273.44	16,939.19
Average Inventory	8,503.66	7,041.62
<b>f) Trade Receivables Turnover:</b>	<b>91.31</b>	<b>85.16</b>
Total Sales	20,273.44	16,939.19
Average Accounts Receivable	222.02	198.92
<b>g) Trade Payables Turnover:</b>	<b>30.46</b>	<b>21.86</b>
Total Purchases	19,285.66	16,120.96
Average Trades Payable	633.25	737.43
<b>h) Net Capital Turnover:</b>	<b>5.86</b>	<b>5.95</b>
Total Sales	20,273.44	16,939.19
Average Working Capital	3,460.04	2,847.60
<b>i) Net Profit Ratio:</b>	<b>3.53%</b>	<b>2.58%</b>
Net Profit	715.96	436.79
Total Sales	20,273.44	16,939.19
<b>j) Return on Capital Employed:</b>	<b>17.71%</b>	<b>13.77%</b>
Earning before interest and taxes	1,384.54	1,000.45
Capital Employed	7,817.03	7,266.94
<b>k) Return on Investment</b>	NA	NA
Net Profit	NA	NA
Shareholder's Equity	NA	NA

Particulars	Reason
d) Return on Equity	Streamlining of operations has engendered heightened efficiency, reduced expenditures, and amplified revenues, thereby propelling profitability and prudent execution of high-yield endeavors have synergistically elevated the aggregate returns derived from the deployed capital.
i) Net Profit Ratio	
j) Return on Capital Employed	
g) Trade Payables Turnover	The increase in trade payable turnover ratio is on account of fostered positive relationships, credit terms, which lead to potential discounts contributing to enhanced profitability results into strong liquid position.

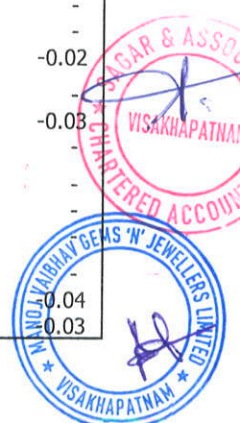
**Note No. 51**

**Reconciliation of quarterly bank returns**

Particulars	Quarter	Amount as per books of Accounts	Amount as reported in quarterly returns #	Amount of difference
Inventories (otherthan Packing material and others)	June-22	8,060.70	8,060.70	-
Receivables less than 6 months	June-22	222.08	222.08	-
Trade Payables	June-22	884.57	884.55	-0.02
Inventories (otherthan Packing material and others)	September-22	8,599.31	8,599.31	-
Receivables less than 6 months	September-22	206.82	206.79	-0.03
Trade Payables	September-22	974.31	974.31	-
Inventories (otherthan Packing material and others)	December-22	8,818.21	8,818.21	-
Receivables less than 6 months	December-22	375.43	375.43	-
Trade Payables	December-22	836.25	836.25	-
Inventories (otherthan Packing material and others)	March-23	9,321.24	9,321.24	-
Receivables less than 6 months	March-23	237.79	237.75	-0.04
Trade Payables	March-23	380.45	380.42	-0.03

# The quarterly returns are submitted to SBI (Consortium leader), UBI, HDFC, Axis Bank, Federal Bank and Canara Bank

**Reason for difference:** The differences are of insignificant nature.





**Notes to financial information**

(All amounts are in ₹ million, except otherwise stated)

**Note No. 52**

**(a) Title deeds of immovable properties**

The title deeds of the immovable properties are held in the name of the company.

**(b) Valuation of Property Plant & Equipment, intangible asset**

The Company has not revalued its property, plant and equipment or intangible assets or both during the current or previous year(s).

**(c) Loans or advances to specified persons**

No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

**(d) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

**(e) Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

**(f) Willful defaulter**

The Company has not been declared willful defaulter by any bank or financial institution or other lender.

**(g) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

**(h) Registration of charges or satisfaction with Registrar of Companies (ROC)**

There are no charges or satisfaction yet to be registered with Registrar of Companies (ROC) beyond the statutory period.

**(i) Compliance with number of layers of companies**

The Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017 is not applicable to the company.

**(j) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year(s).

**(k) Utilisation of borrowed funds and share premium**

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 or entity, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(l) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded previously in the books of account.

**(m) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year(s).

**(n) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

**Note No. 53**

Previous Year's figures have been re-grouped/re-classified/re-stated as far as practicable and wherever necessary to confirm with current year presentation.

The accompanying notes are an integral part of the audited financial statements  
As per our audit report of even date

**For Sagar & Associates**  
Chartered Accountants

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

  
**CA B. Aruna**  
Partner  
Membership No. : 216454  
F. No. 003510S  
Place: Visakhapatnam  
Date: September 04, 2023

  
**GBM Ratna Kumari**  
Chairperson &  
Managing Director  
DIN : 00492520

  
**GS Keerthana**  
Whole-Time Director &  
Chief Financial Officer  
DIN : 05211918



  
**B. Shiva Krishna**  
Company Secretary &  
Compliance officer