



PATDIAM
JEWELLERY LTD

Date: 06th September, 2021

To,
The Manager
Listing & Compliance
Bombay Stock Exchange (BSE Limited)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

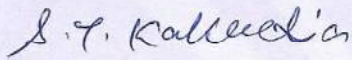
Sub: Annual Report of 22nd Annual General Meeting

Ref: Patdiam Jewellery Limited, Scrip Code: 539401, Symbol: PJI

Dear Sir,

As per Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (the Listing Regulations), please find the enclosed Annual Report for your reference and record.

For PATDIAM JEWELLERY LIMITED



Samir Kakadia
Managing Director
DIN: 00178128

ENCL: A/a



**22ND ANNUAL REPORT
2020-21**

PATDIAM JEWELLERY LIMITED

CIN: L36911MH1999PLC120537

Regd. Office: Gala No 102, Bldg No. 1,

SEEPZ SEZ, Andheri (E) Mumbai (MH) – 400 096

Tel: +22-2829 3455/56; Fax: +22-2829 3459

E-mail ID: cs@patdiam.com; Website: www.patdiam.com

PATDIAM JEWELLERY LIMITED

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PATDIAM JEWELLERY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

| | | |
|----------------|---|----------------------|
| Samir Kakadia | - | Managing Director |
| Pravin Kakadia | - | Chairman & Director |
| Priti Kakadia | - | Women Director |
| Jayesh Avaiya | - | Independent Director |
| Prakash Shah | - | Independent Director |

STATUTORY COMMITTEES

AUDIT COMMITTEE

| | | |
|---------------|---|----------|
| Jayesh Avaiya | - | Chairman |
| Prakash Shah | - | Member |
| Priti Kakadia | - | Member |

NOMINATION & REMUNERATION COMMITTEE

| | | |
|---------------|---|----------|
| Prakash Shah | - | Chairman |
| Jayesh Avaiya | - | Member |
| Priti Kakadia | - | Member |

STAKEHOLDER'S RELATIONSHIP COMMITTEE

| | | |
|---------------|---|----------|
| Prakash Shah | - | Chairman |
| Jayesh Avaiya | - | Member |
| Priti Kakadia | - | Member |

CHIEF FINANCIAL OFFICER

Bharat Kumar Keshavlal Shah

COMPANY SECRETARY

Navita Choudhary

STATUTORY AUDITORS

Pulindra Patel & Co.,
Chartered Accountants
307, 3rdFloor, Gold Mohur Society,
174 Princess Street, Kalbadevi Road,
Mumbai – 400 002, Maharashtra
Tel No. 022-22056233 / 43472356
E-mail: pulindra_patel@hotmail.com

PATDIAM JEWELLERY LIMITED

SECRETARIAL AUDITOR

SKJ & Associates,

Company Secretaries

21A, 2nd Floor, Shankar Seth Building,

380-382 J.S.S. Road, Chira Bazar,

Mumbai – 400002, Maharashtra

Tel. No. 022-2203 7706

E-mail: skjandassociates@gmail.com

REGISTRAR & TRANSFER AGENT

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,

Opp. Vasant Oasis, Makwana Road,

Marol, Andheri East,

Mumbai – 400059, Maharashtra

Tel. No. 022-6263 8200

E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

REGISTERED OFFICE

Patdiam Jewellery Limited

CIN: L36911MH1999PLC120537

Regd. Office: Gala No 102, Bldg No. 1,

SEEPZ SEZ, Andheri (E),

Mumbai – 400 096, Maharashtra

Tel: +22-2829 3455/56

Fax: +22-2829 3459

E-mail ID: account@patdiam.com; cs@patdiam.com

Investor Complaints: investors@patdiam.com; cs@patdiam.com

Website: www.patdiam.com

PATDIAM JEWELLERY LIMITED

NOTICE FOR 22ND ANNUAL GENERAL MEETING

NOTICE is hereby given that 22nd Annual General Meeting of **Patdiam Jewellery Limited** will be held on Thursday, the 30th day of September, 2021 at 01.00 P.M. at the Registered Office of the Company at Gala No. 102, Building No. 1, SEEPZ++, SEZ, Andheri East, Mumbai – 400 096, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pravin Kakadia (DIN: 00178140), who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint M/s. Dave & Dave, Chartered Accountants, as Statutory Auditor of the Company for a period of five years and in this connection, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Dave & Dave, Chartered Accountant, (Firm Registration No. 102163W) be and is hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company held in the year 2026 on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditor.”

SPECIAL BUSINESS:

4. Approval for entering into Related Party Transactions by the Company

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

PATDIAM JEWELLERY LIMITED

| S. No. | Nature of Transactions as per section 188 of the Companies Act, 2013 | Name of the Director/KMP who is related and nature of their relationship | Name of the Related Party | Maximum Amounts (Per Annum) |
|--------|--|--|---------------------------|-----------------------------|
| 1. | Sale, purchase or supply of any goods / materials | Mr. Samir Kakadia, Managing Director; Mrs. Priti Kakadia, Director & Mr. Pravin Kakadia Chairman and Director are the Partners in the Related entity | M/s Patdiam | Rs. 25,00,00,000/- |
| 2. | | | M/s Patdiam Jewels | Rs. 5,00,00,000/- |

RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

5. Re-appointment of Mr. Samir Kakadia as the Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V Part II Section III Clause (b)(i) and all the other applicable provisions of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all the other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company, subject to the approval of Central Government or other Government authority/agency/board, if any, and subject to approval of the Members, Mr. Samir Kakadia (DIN: 00178128) be and is hereby appointed as Managing Director of the Company for a period of Three years with effect from 01st September, 2021 to 31st August, 2024 as per the terms and conditions and increased remuneration as set out in the Managing Director Agreement placed before the meeting and initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT in the event in any Financial Year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to the Managing Director, the above remuneration, excluding commission amount payable on profits earned, as the minimum

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remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution or to make modifications as may be deemed to be in the interest of the Company, with liberty to the Board to alter and vary the terms and conditions of the aforesaid appointment and increase in remuneration of Mr. Samir Kakadia (DIN: 00178128) from time to time, in accordance with and subject to the limits as stated in the draft Managing Director Agreement or as may be stipulated by the Central Government, if and to the extent necessary and applicable and to do all such acts, deeds, matters and things for giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers to any of its committee(s) or any Director or officer or person, to give effect to the aforesaid resolution."

6. Authorisation under Section 185 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rule made there under as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by Body Corporate in which any such director is a member or partner, (In which any director is deemed to be Interested) upto an aggregate sum of Rs. 50,00,00,000 (Rupees Fifty Crores Only) in their absolute discretion deem beneficial and in the Interest of me Company, provided that such loans are utilized by the borrowing company for Its principal business activities.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company."

7. Authorisation under Section 186 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made

PATDIAM JEWELLERY LIMITED

thereunder as applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company to give any loan(s) and/or any guarantee(s) and/or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any further investments/acquisition by way of subscription, purchase or otherwise, the securities (including equity shares, preference shares, debentures, or any other kind of instruments, whether convertible or not) of other body corporate, for an amount not exceeding Rs.50,00,00,000 (Rupees Fifty Crores Only) over and above the limits available to the Company of 60% (Sixty Percent) of its paid up share capital, free reserves and securities premium account or 100% (One Hundred Percent) of its free reserves and securities premium account, whichever is more, and remaining outstanding at any point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate, finalise and agree the terms and conditions of the aforesaid amount and to do, all such acts, matters, deeds and things, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected or incidental thereto in the best interest of the Company."

Registered Office:

Gala No 102, Bldg No. 1,
SEEPZ SEZ, Andheri (E),
Mumbai (MH) – 400 096

Dated:06.09.2021

By Order of the Board of Directors
For **Patdiam Jewellery Limited**

Pravin Kakadia
Chairman

PATDIAM JEWELLERY LIMITED

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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.
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the form duly completed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Annual General Meeting (AGM). Proxies submitted on behalf of Companies, societies etc. must be supported by appropriate resolution/ authority as applicable.
3. The Members/ Proxies/ Authorized Representative attending the meeting are requested to bring the enclosed Attendance Slip and deliver the same after filling in their folio number at the entrance of the meeting hall. Admission to the Annual General Meeting venue will be allowed only on verification of the signature(s) on the Attendance Slip.
4. Duplicate attendance slip shall not be issued at the AGM venue. The same shall be issued at the Registered Office of the Company up to a day preceding the day of the AGM.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
6. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. The Explanatory Statement as required under section 102 of the Companies Act, 2013 is annexed hereto.
8. As a measure of economy, copies of the Annual Report will not be distributed at the venue of the AGM. The Members are, therefore requested to bring their copies of the Annual Report to the meeting. Those members who have not received copies of Annual Report can collect their copies from the Corporate/ Registered Office of the Company.
9. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2021 to 30th September, 2021 (both days inclusive).
10. The members are requested to inform changes, if any, in their Registered Address along with Pin Code Number to the Company at the following Address:
PATDIAM JEWELLERY LIMITED
Gala No 102, Bldg No 1,
SEEPZ SEZ, Andheri (E),
Mumbai – 400 096 (MH)
Member whose shareholding is in electronic mode, are requested to direct change of address to their respective depository participant.
11. During the period beginning 24 hours before the time fixed for commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days' notice in writing is given to the Company.

PATDIAM JEWELLERY LIMITED

12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will also be available for inspection by the members at the AGM.
13. Members desirous of seeking any information relating to the Accounts of the Company may write to the Company at Gala No 102, Bldg No 1, SEEPZ SEZ, Andheri (E), Mumbai – 400 096 (MH) for the attention of Ms. Navita Choudhary, Company Secretary, at least ten days in advance of the Meeting so that requisite information can be made available at the Meeting.
14. All documents referred to in the Notice will be available for inspection at the Registered Office of the Company during working hours between 10.00 A.M. to 1.00 P.M. except holidays up to the date of AGM.
15. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.
16. Electronic copy of the Annual Report and Notice of the 22nd Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and Notice of the 22nd Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent in the permitted mode.
17. Members may also note that physical copies of the Notice of the 22nd Annual General Meeting and the Annual Report for 2021 will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
18. Securities and Exchange Board of India (SEBI) & the Ministry of Corporate Affairs (MCA) encourages paperless communication as a contribution to greener environment.
Members holding shares in physical mode are requested to register their e-mail ID's with 'Bigshare Services Private Limited', the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered.
If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
19. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under

PATDIAM JEWELLERY LIMITED

Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing e-voting facility to its shareholders.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN/Bank Account particulars to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN/Bank Account details to the Company/RTA for registration of transmission/transposition, deletion of name etc.
21. The route map showing directions to reach the venue of the Meeting is annexed.

Registered Office:

Gala No 102, Bldg No. 1,
SEEPZ SEZ, Andheri (E),
Mumbai (MH) – 400 096

By Order of the Board of Directors
For **Patdiam Jewellery Limited**

Pravin Kakadia
Chairman

Dated:06.09.2021

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 sets out all material facts relating to the business mentioned in item nos. 4, 5, 6 & 7 in the accompanying Notice of the Annual General Meeting.

Item No. 4: Approval for entering into Related Party Transactions by the Company

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties of the Company. The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in case transaction specified in Section 188(1) exceeding threshold limit specified in respective rules, prior approval of the shareholders by way of a Special Resolution must be obtained.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

- 1) Name of the Related Party:
 - M/s Patdiam and
 - M/s Patdiam Jewels

- 2) Name of the Director or Key Managerial Personnel who is related, if any and Nature of Relationship:
Mr. Samir Kakadia, Managing Director; Mrs. Priti Kakadia, Director & Mr. Pravin Kakadia Chairman and Director are the common Partner in M/s Patdiam and M/s Patdiam Jewels

- 3) Nature, material terms and particulars of the contract or arrangement:
Sale and Purchase of Diamond

- 4) Maximum monetary value involved
 - M/s Patdiam and Rs.25,00,00,000/- (Rupees Twenty Five Crore Only)
 - M/s Patdiam Jewels Rs.5,00,00,000/- (Rupees Five Crore Only)

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 04 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 04 for approval of the Members.

Except Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this resolution.

ITEM NO. 5

The Board of Directors in their meeting held on 31st August, 2021, on recommendation of Nomination and Remuneration Committee of the Company, had Mr. Samir Kakadia (DIN: 00178128) as Managing Director of the Company for a period of Three years from 01st September, 2021 to 31st August, 2024, subject to approval by the members in the ensuing Annual General Meeting of the Company on the terms and conditions as per Agreement entered into by and between the Company and Mr. Samir Kakadia.

Brief resume of Mr. Samir Kakadia, nature of his expertise in specific functional areas, names of companies in which he holds directorship and the membership/ chairmanship of Board Committees, shareholding in the company and relationship between the Directors inter-se as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, are annexed to this Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

The terms and conditions and remuneration are set out in the Managing Director Agreement entered with the Company for this purpose.

ITEM NO. 6

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Group. In the light of amendments notified effective May 7, 2018, Inter-alia replacing the provisions section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

The members may note that board of Directors; would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of Internal resources / accruals/ or any other appropriate sources, from time to time, only for principal business activities of the entities in the Group i.e M/s Patdiam and M/s Patdiam Jewels, loan amount of Rs. 50,00,00,000 (Rupees Fifty Crores Only).

PATDIAM JEWELLERY LIMITED

Hence, in order to enable the Company to advance loan to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are Interested directly or Indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

Therefore, the said Special resolution is proposed for the approval of members under Item No-6 of the notice.

ITEM NO. 7

The Company has been making Investments in, giving loans and guarantee to and providing securities in connection with loans to various persons and bodies Corporates from time to time, In Compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and Its Powers) Rules, 2014, as amended to date, provides that no company Is permitted to, directly or Indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding Sixty percent of Its paid-up share capital, free reserves and securities premium account or one hundred per cent of Its free reserves and Security premium account, whichever is more. Further, the said section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits Specified therein i.e. Rs. 50,00,00,000 (Rupees Fifty Crores Only) prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / Investments and Issue guarantees / securities to persons or bodies corporate in Group i.e M/s Patdiam and M/s Patdiam Jewels, from time to time, prior approval of the Members is being sought for enhancing the said limits.

Therefore, the said Special resolution is proposed for the approval of members under Item No-7 of the notice.

Registered Office:
Gala No 102, Bldg No. 1,
SEEPZ SEZ, Andheri (E),
Mumbai (MH) – 400 096

By Order of the Board of Directors
For **Patdiam Jewellery Limited**

Pravin Kakadia
Chairman

Dated:06.09.2021

PATDIAM JEWELLERY LIMITED

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Details of Director seeking Re-Appointment at the forthcoming Annual General Meeting:

| | |
|--|---|
| Name of Director | Mr. Pravin Kakadia |
| Date of Birth | 01/10/1962 |
| Nationality | Indian |
| Date of Appointment on the Board | 16/09/2000 |
| Shareholding | 1069950 Equity Shares (as on 31.03.2021) |
| Qualification | Graduated in Commerce |
| Relationship between directors inter-se | Brother of Mr. Samir Kakadia & Brother in law of Mrs. Priti Kakadia |
| Expertise | Jewellery Manufacturing & Marketing |
| Name of Companies in which he/she holds directorship | Other Directorship (as on 31.03.2021): – Golden Medows Properties Pvt. Ltd. |
| Name of Committees of the Companies in which he/ she holds Membership (as on 31.03.2021) | Committee positions held in Company: – Nil Committee Positions held in other Public Companies: – Nil |

PATDIAM JEWELLERY LIMITED

DETAILS OF DIRECTOR APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Details of Director seeking Appointment at the forthcoming Annual General Meeting:

| | |
|--|---|
| Name of Director | Mr. Samir Kakadia |
| Date of Birth | 05/04/1970 |
| Nationality | Indian |
| Date of Appointment on the Board | 25/06/1999 |
| Shareholding | 940500 Equity Shares (as on 31.03.2021) |
| Qualification | Graduate |
| Relationship between directors inter-se | Brother of Mr. Pravin Kakadia & Husband of Mrs. Priti Kakadia |
| Expertise | Jewellery Manufacturing & Marketing |
| Name of Companies in which he/she holds directorship | Other Directorship (as on 31.03.2021): - Golden Meadows Properties Pvt. Ltd. - One Zest Media Private Limited |
| Name of Committees of the Companies in which he/ she holds Membership (as on 31.03.2021) | Committee positions held in Company: – Nil Committee Positions held in other Public Companies: – Nil |

DIRECTOR'S REPORT

Dear Members,

On behalf of the Board of Directors, it is our pleasure to present the 22nd Annual Report together with the Audited Statement of Accounts of your Company 'PATDIAM JEWELLERY LIMITED' for the year ended 31st March, 2021.

FINANCIAL RESULTS

(Amount in Rs.)

| Particular | For the F.Y. ended 31/03/2021 | For the F.Y. ended 31/03/2020 |
|--|--|--|
| Revenue & other Income | 67,58,89,090/- | 64,74,01,707/- |
| Expenses | 63,76,29,160/- | 62,37,61,309/- |
| Net Profit/(loss) before Exceptional / Extra Ordinary Items/tax | 3,82,59,930/- | 2,36,40,397/- |
| Exceptional Items | | |
| Profit Before Tax | 3,82,59,930/- | 2,36,40,397/- |
| Tax of Previous Year | 6,02,467/- | 3,50,740/- |
| Current Tax | 92,00,000/- | 64,00,000/- |
| MAT Credit | - | - |
| Deferred Tax | 6,22,212/- | 5,61,577/- |
| Net Profit / (Loss) after tax | 2,78,35,251/- | 1,74,51,235/- |

COMPANY'S PERFORMANCE

During the year under review, the Company's sales income increased by 4.40% to Rs. 67,58,89,090/- compared with Rs. 64,74,01,707/- in the previous year. Profit before tax increased by 61.84% to Rs., 3,82,59,930/- compared with Rs. 2,36,40,397/- in the previous year. However, company has gained in the net profit of 59.50% to Rs. 2,78,35,251/-.

COVID-19 AND ITS IMPACT

Your Directors have been periodically reviewing with the Management, the impact of COVID-19 on the Company. During the 1st quarter of the year, your Company had to temporarily suspend operations at its Factory as per the directives of the Government, keeping in mind the paramount need of safety of the employees. However, maximum efforts were taken to ensure smooth functioning of the same.

The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company.

COMPLIANCE WITH THE ICSI SECRETARIAL STANDARD:

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meeting have been complied with by the Company.

TRANSFER TO RESERVES

The company except its surplus profit has not carried any amount to the reserves during the year.

DIVIDEND

Your Directors do not recommend any dividend for the year as the profits earned need to be ploughed back into the operations of the company and will be used for working requirements of the Company.

DEPOSITS

Your Company has neither accepted / renewed any deposits from public during the year nor has any outstanding deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The details of Loans, Guarantees, Securities and Investments made during the financial year ended 31st March, 2021 are given in the notes to the Financial Statements in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company had no subsidiaries, Joint Venture or Associate Company during the year under review.

SHARE CAPITAL

As on 31st March, 2021, the issued, subscribed and paid up share capital of your Company stood at Rs. 4,31,70,000/- (Rupees Four Crores Thirty One Lacs Seventy Thousand Only), comprising 43,17,000 (Forty Three Lacs Seventeen Thousand) Equity shares of Rs.10/- each.

The Company has neither not issued shares with differential voting rights nor granted any stock options or issue any sweat equity or issued any Bonus Shares. Further, the Company has not bought back any of its securities during the year under review and hence no details /information invited in this respect.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website www.patdiam.com.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of material contract or arrangement or transaction entered into by the Company with related parties at arm's length basis during the year have been mentioned in the form AOC-2 which is attached as 'Annexure- A'.

All Related Party transactions were placed before the Audit Committee and the Board for Approval.

The Policy of Related party transactions/Disclosures are approved by the Board is posted on the Company's website viz www.patdiam.com.

DIRECTORS

As per the provisions of the Companies Act, 2013, Mr. Pravin Kakadia, retires by rotation at the forthcoming AGM and being eligible, offers himself for reappointment. The Board recommends his reappointment.

Mr. Samir Kakadia appointed as Managing Director of the Company for a period of three years with effect from 01st September, 2021 to 31st August, 2024 which requires approval of Members in the ensuing AGM.

The brief particulars of the Directors seeking appointment /re-appointment at this Annual General Meeting are being annexed to the Report.

Except above, there is no change in constitution of Board.

KEY MANAGERIAL PERSONNEL

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014 framed there under.

1. Mr. Samir Kakadia, Managing Director
2. Mr. Bharatkumar Keshavlal Shah, Chief Financial Officer (CFO)
3. Ms. Navita Choudhary, Company Secretary and Compliance Officer

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR).

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of Section 178 of the Act, read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR), the Board has carried out an Annual Performance Evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

In line with effective governance requirements, the Board reviews its own performance annually using a pre-determined template designed as a tool to facilitate the evaluation

process. The assessment was built around the functioning of the Board as a whole, its Committees and also the evaluation of Individual Directors.

While the individual directors' performance was reviewed by the Chairman and the rest of the Board excluding the Director being evaluated, the Chairman's and Non-Independent Directors performance was appraised through feedback from Independent Directors.

DETAILS OF BOARD MEETINGS

During the financial year under review, 11 (Eleven) Board Meetings were convened and held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENTS

Pursuant to the requirement under section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) In the preparation of the annual accounts for financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have 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 as at March 31, 2021 and of the profit of the Company for that period;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts for the year ended March 31, 2021, on a going concern basis;
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

STATUTORY AUDITORS

In view of the provision of section 139 and other applicable provisions, if any of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. Dave & Dave, Chartered Accountants, (Firm Registration No. 102163W) as the statutory auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 27th Annual general Meeting of the Company to be held in the year 2026.

The Company has obtained a written consent and a certificate from them to the effect their appointment, if made would be in accordance with the section 139 (1) of the Companies Act, 2013 and the rules framed thereunder, as may be applicable.

STATUTORY AUDITOR REPORT

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their report for the Financial Year ended 31st March, 2021. The Report is attached hereto and is self-explanatory requiring no further elucidation.

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

COST AUDITORS

The Cost audit of the Company has not been conducted for the financial year 2020-21 as provisions of Section 148 of the Companies Act, 2013 are not applicable on the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. SKJ & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2021.

The Secretarial Audit Report is annexed herewith as an 'Annexure B' to this Report. The response of your director son the observation made in Secretarial Audit Report is as follows:

Observation:

As per section 138 (1) of the Companies Act, 2013, the Company is required to appoint Internal Auditor. The Company has not appointed the same.

Response:

The Company is in process of finding suitable candidate to act as an Internal Auditor.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's businesses, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Management Discussion and Analysis Report is presented in a separate section forms part of the Annual Report.

COMMITTEES OF THE BOARD

The Board has **3 (Three) Committees** – the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. All committees consist of majority of Independent Directors. The Composition and terms of reference, details of meetings and other matters has been mentioned in the **Corporate Governance Report** of this Annual Report.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adhering to the disclosure norms as set out by Securities and Exchange Board of India. The Report on Corporate Governance with Auditor's Certificate thereon

in terms of Regulation 34 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) read with Schedule V of said regulations forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provision of Section 135 of the Companies Act, 2013 the company is not required to undertake Corporate Social Responsibility activities.

PARTICULARS OF EMPLOYEES

There are no employees who are receiving remuneration exceeding of Rs. eight lakh and fifty thousand per month or Rs. one crore and two lakh rupees per annum under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a disclosure on remuneration related information of employees, Key Managerial Personnel and Directors is annexed herewith and forms part of the report (Annexure-C).

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as follows:

- **CONSERVATION OF ENERGY**

The operation of your Company is not energy intensive. However, the Company makes its best efforts for conservation of energy in its factory and office premises.

- **TECHNOLOGY ABSORPTION, ADAPTATIONS& INNOVATION**

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

- **FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earnings and outgo are as follows:

| Particulars | Current Year | Previous Year |
|--|----------------|----------------|
| FOREIGN EXCHANGE EARNINGS | | |
| F.O.B. Value of Export | 64,35,63,239/- | 61,82,41,213/- |
| FOREIGN EXCHANGE OUTGO (Value of Imports calculated on CIF Basis) | | |
| Raw Materials | 3,04,50,262/- | 11,04,01,815/- |
| Consumable stores | - | 16,93,902/- |
| Capital Goods | 25,81,320/- | 12,22,288/ - |
| Expenditure | - | 60,09,340/- |

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

In compliance with the provisions of section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), the Company has adopted a Whistle Blower Policy as a vigil mechanism for directors and employees of the Company.

The Whistle Blower Policy is disclosed on the Company's website www.patdiam.com

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other assets, and for the sale of goods.

The Company also has in place an Audit Committee to have a periodic over view of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

RISK MANAGEMENT

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company which has occurred from the end of financial year i.e. March 31, 2021 to the date of Directors Report.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

During the year under review there was no such orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

There are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

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

There are no instances of one time settlement during the financial year.

POLICY ON SEXUAL HARASSMENT

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complain during the year 2019-20.

ACKNOWLEDGMENTS

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels

For and on behalf of the Board
PATDIAM JEWELLERY LIMITED

Date: 06.09.2021
Place: Mumbai

Pravin Kakadia
Chairman & Director
(DIN: 00178140)

Samir Kakadia
Managing Director
(DIN: 00178128)

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

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

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

I.

| S. No. | Particulars | Details |
|---------------|---|---|
| a) | Name (s) of the related party & nature of relationship | M/s. Patdiam (Directors are Partner) |
| b) | Nature of contracts/arrangements/transaction | Purchases of Diamond |
| c) | Duration of the contracts/arrangements/transaction | 01.04.2020 to 31.03.2021 |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Rs. 18,58,24,261/- (Purchases) |
| e) | Date of approval by the Board | NA |
| f) | Amount paid as advances, if any | - |

PATDIAM JEWELLERY LIMITED

II.

| S. No. | Particulars | Details |
|---------------|---|---|
| g) | Name (s) of the related party & nature of relationship | M/s. Patdiam Jewels (Directors are Partner) |
| h) | Nature of contracts/arrangements/transaction | Purchase & Sales of Diamond, Findings etc. |
| i) | Duration of the contracts/arrangements/transaction | 01.04.2020 to 31.03.2021 |
| j) | Salient terms of the contracts or arrangements or transaction including the value, if any | 1,54,94,826/- (Purchase) 2,45,84,874/- (Sales) |
| k) | Date of approval by the Board | N.A. |
| l) | Amount paid as advances, if any | N.A. |

III.

| S. No. | Particulars | Details |
|---------------|---|---|
| m) | Name (s) of the related party & nature of relationship | M/s. Zest Corporation (Directors are Partner) |
| n) | Nature of contracts/arrangements/transaction | Purchase of Assets |
| o) | Duration of the contracts/arrangements/transaction | 01.04.2020 to 31.03.2021 |
| p) | Salient terms of the contracts or arrangements or transaction including the value, if any | 6,64,618/- |
| q) | Date of approval by the Board | N.A. |
| r) | Amount paid as advances, if any | N.A. |

For and on behalf of
Patdiam Jewellery Limited

Samir Kakadia
Managing Director
DIN: 00178128

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(For the Financial Year ended 31st March, 2021)

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

To
The Members,
Patdiam Jewellery Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Patdiam Jewellery Limited** (CIN: L36911MH1999PLC120537) having its registered office at Gala No 102 Bldg. No 1, SEEPZ SEZ, Andheri (E), Mumbai - 400 096 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information, also electronic data provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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 31st March, 2021, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(Not Applicable as the Company has not issued any further capital under the regulations during the period under review);
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company does not have ESOP Scheme/shares);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued & listed Debt Securities);
 - 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 (Not applicable as the Company has not delisted /proposed to delist its equity shares from stock exchange during the financial year under review); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not bought back / proposed to buyback any of its securities during the financial year under review);
6. The Company has identified the following laws as specifically applicable to the Company:
- i. Factories Act, 1948
 - ii. Payment of Gratuity Act 1972
 - iii. Payment of Wages Act, 1936
 - iv. Minimum Wages Act, 1947
 - v. Employee's Provident Funds & Miscellaneous Provisions Act, 1952 and Rules made there under
 - vi. Payment of Bonus Act, 1965
 - vii. Employee's State Insurance Act, 1948
 - viii. Contract Labour (Regulations & Abolition) Act, 1970
 - ix. The Maternity Benefits Act, 1961
 - x. The Bombay Shops & Establishment Act, 1948
 - xi. Customs Act 1952
 - xii. The Maharashtra Value Added Tax Act, 2002
 - xiii. The Central Sales Tax Act, 1956
 - xiv. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - xv. Industrial Employment (Standing Order) Act, 1946
 - xvi. Special Economic Zone Act, 2005

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- As per section 138 (1) of the Companies Act, 2013, the Company is required to appoint Internal Auditor. The Company has not appointed the same. In this regard the management of the Company has provided the following reply:
The Company is in process of finding suitable candidate to act as an Internal Auditor.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's Affairs.

**For SKJ & Associates
Company Secretaries**

**SATISH KUMAR JAIN
Proprietor
(FCS :6398/PCS:6632)
UDIN: F006398C000904350**

**Place: Mumbai
Date:06.09.2021**

This report is to be read with our letter of even date which is annexed herewith and forms an integral part of this report.

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Patdiam Jewellery Limited
Gala No 102 Bldg No 1,
SEEPZ SEZ, Andheri (E)
MUMBAI – 400 096

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company. We relied on the statutory report provided by the Statutory Auditor of the Company for the financial year ending 31st March, 2021.
4. Wherever required we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit reports neither an assurance as to the future liability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For SKJ & Associates
Company Secretaries**

**SATISH KUMAR JAIN
Proprietor
(FCS :6398/PCS:6632)
UDIN: F006398C000904350**

**Place: Mumbai
Date: 06.09.2021**

'Annexure C'

Disclosure pursuant to Section 197 (12) of Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the year 2020-21

2. The percentage increase in the median remuneration of employees in the financial year:

| Name of the Director | Nature of Directorship | 31.03.21 Amount | 31.03.20 Amount | Percentage Increase in Remuneration | Percentage Increase in Remuneration |
|-----------------------|-------------------------|--------------------|--------------------|-------------------------------------|-------------------------------------|
| Mr. Samir Kakadia | Managing Director | 300000 | 300000 | 1.18% | 2.15% |
| Mr. Bharat Shah | Chief Financial Officer | 901000 | 909170 | 3.55% | 6.53% |
| Mrs. Navita Choudhary | Company Secretary | 271080 | 301200 | 1.07% | 1.92% |

3. **The number of permanent employees on the rolls of company: 26**

4. **Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There is marginal increase in the revenue in comparison with previous year and also reduction in cost due to economy measures under taken. Due to upturn in the economy business is expected to improve in the current year.

5. **Affirmation that the remuneration is as per the remuneration policy of the company:**

The remuneration is as per the remuneration policy of the company.

For and on behalf of
Patdiam Jewellery Limited

Samir Kakadia
Managing Director
DIN: 00178128

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Gems and jewellery industry plays a vital role in the Indian economy as it is one of the largest exporters and contributes a major chunk to the total foreign reserves of the country. India's gems and jewellery industry is one of the largest in the world contributing almost 29% to the global jewellery consumption. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour. One of the fastest growing sectors, gems and jewellery industry is extremely export oriented and labour intensive.

OPPORTUNITIES AND THREATS

Jewellery exports have been recording a decelerating trends since the beginning of FY21 on account of various domestic as well as global challenges including rise in import duty on precious stones viz. polished diamonds and colored gem stones, tightening of lending terms by banks, declining demand from export markets and withdrawal of GSP benefit by USA among others.

To add to this, the spread of COVID-19 in key export markets such as USA, Europe, China, Hong Kong and U.A.E. has created further hurdles for this export oriented industry. Gems and jewellery market comprises of gold, diamond studded and silver jewellery as well as precious and semi-precious gemstones and its jewellery. A major chunk of gold jewellery manufactured in India is for domestic consumption, whereas a major portion of polished diamonds or finished diamond jewellery is exported. India is the world's largest centre for cut and polished diamonds in the world and exports 75% of the world's polished diamonds

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company's main business is diamond jewellery manufacturing and all the activities of the Company during the year are related to this business. As such there are no separate reportable segments.

OUTLOOK

The Company has done reasonable in the current year and expects to achieve a good percentage of market share in the Diamond manufacturing and Jewellery marketing fields in the years to come. The outlook for the Company can therefore be termed as optimistic and expects higher growth than inflation and average growth in the industry. In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organized market and are opening opportunities to grow. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

There is a Strong possibility of revival of the Indian economy after a 1year pause and result in favour of discretionary spending categories.

RISKS AND CONCERNS

Following can be some of the risks and concerns the Company needs to be wary of:

- The largely unorganized structure of the market can affect the systematic functioning of the Company.
- Political instability, which has a tremendous impact on the capital markets.
- Likely opening up of the economy, which can be a double-edged sword.
- The Diamond market in India is heavily influenced by the US Markets.
- The major income component of the Company being exports, changes in economies or government policies of the countries to which
- The Company is exporting may also affect the operations of the Company.
- Increasing competition among the Indian Exporters in this industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other assets, and for the sale of goods.

The Company also has in place an Audit Committee to have a periodic over view of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

TRADING STATUS ON THE STOCK EXCHANGE:

The company's equity shares are Listed and traded on Bombay Stock Exchange Limited.

HUMAN RESOURCE DEVELOPMENT

The company considers human resources as one of the vital and important factors for sustained growth. The human resources strategy is to attract talent in the industry, develop and upgrade their skill and competence on the job and ensure employee satisfaction through reward, appreciation and development of environment based on culture and values nurtured by the Group over the years.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation or predication may be "forward-looking" statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance is viewed as both the structure and relationship which determine corporate direction and performance.

It refers to the set of systems, principles and processes by which Company is governed. It is a process and a guideline as to how the Company should be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all the stakeholders in the long term.

Your Company has always practiced Corporate Governance of the highest standard and follows a culture that is built on core values and ethics.

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 sense underpins good ethics. The Company believes that adopting the best corporate governance practices is not only non – negotiable but it is the foundation to good business.

The report of Corporate Governance is prepared in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

2. BOARD OF DIRECTORS

The Board of Directors of the Company ensures Company's prosperity by collectively directing the Company affairs towards securing appropriate interests of its shareholders and stakeholders. They are the key person who deals with the challenges and issues relating to good Corporate Governance and Corporate ethics.

(i) Composition and Category of Directors

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavor to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As on March 31, 2021, the Board of Directors ("Board") comprises of Five Directors, of which Three are Non-Executive Directors and two are Executive Directors. The Company has Two Independent Directors.

The composition and the category of Directors on the Board of the Company as on March 31, 2021 were as under:

PATDIAM JEWELLERY LIMITED

| Name of Director | Designation | Category |
|-------------------------|---------------------|------------------------------------|
| Mr. Pravin Kakadia | Chairman & Director | Executive Director (Promoter) |
| Mr. Samir Kakadia | Managing Director | Executive Director (Promoter) |
| Ms. Priti Kakadia | Director | Women Non Executive Director |
| Mr. Prakash Shah | Director | Non Executive Independent Director |
| Mr. Jayesh Avaiya | Director | Non Executive Independent Director |

(ii) Conduct of Board Proceedings

The day to day matters concerning the business is conducted by the Executives of the Company under the directions of Managing Director with the ultimate supervision of Board. 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.

(iii) Board Agenda

Meetings are governed by a structured agenda. All agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings.

(iv) Availability of information to Board Members

The Board has unfettered and complete access to any information within the Company, and to any of our employees. At Board meetings, managers who can provide additional insights into the items being discussed are invited.

(v) Attendance of each director at the Board meetings and at the last Annual General Meeting

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2021 has been set out here below:

| S. No | Name of Director | No. of Board Meetings | | Attendance at last AGM on 24.12.2020 |
|--------------|-------------------------|------------------------------|-----------------|---|
| | | Held | Attended | |
| 1 | Mr. Pravin Kakadia | 11 | 11 | Present |
| 2 | Mr. Samir Kakadia | 11 | 11 | Present |
| 3 | Ms. Priti Kakadia | 11 | 11 | Present |
| 4 | Mr. Prakash Shah | 11 | 11 | Present |
| 6 | Mr. Jayesh Avaiya | 11 | 11 | Present |

(vi) Board Meetings held during the Year 2020-21

PATDIAM JEWELLERY LIMITED

The Board held Eleven (11) meetings during the year. The intervening period between two Board meetings was well within the maximum period of 120 days prescribed under Listing Regulations. The details of Board Meetings are as under:

| S. No. | Date | Board Strength | No of Directors Present |
|---------------|-------------|-----------------------|--------------------------------|
| 1. | 30/05/2020 | 5 | 5 |
| 2. | 30/06/2020 | 5 | 5 |
| 3. | 13/07/2020 | 5 | 5 |
| 4. | 30/07/2020 | 5 | 5 |
| 5. | 21/08/2020 | 5 | 5 |
| 6. | 22/10/2020 | 5 | 5 |
| 7. | 12/11/2020 | 5 | 5 |
| 8. | 26/11/2020 | 5 | 5 |
| 9. | 12/01/2021 | 5 | 5 |
| 10. | 18/01/2021 | 5 | 5 |
| 11. | 15/03/2021 | 5 | 5 |

(vii) Number of Other Directorships, Committee Membership(s) & Chairmanship(s)

The details of Directorship and Committee Membership & Chairmanship held by the Directors as on March 31, 2021 are as follows:

| Name of the Director | No. of other Directorships (Including PJL) | Committee (Including PJL) | |
|-----------------------------|---|----------------------------------|-----------------|
| | | Member | Chairman |
| Mr. Pravin Kakadia | 1 | - | - |
| Mr. Samir Kakadia | 1 | - | - |
| Ms. Priti Kakadia | 1 | 3 | - |
| Mr. Prakash Shah | 1 | 1 | 2 |
| Mr. Jayesh Avaiya | 1 | 2 | 1 |

Notes:

- 1. The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Private Limited Companies and Companies covered under Section 8 of the Companies Act, 2013.*
- 2. Non Executive Directors do not hold any shares or convertible instruments.*
- 3. The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.*

4. *In accordance with Regulation 26 of the Listing Regulations, Membership/ Chairpersonship of only the Audit Committees and Stakeholder Relationship Committees of all Public Limited Companies have been considered.*

(viii) Disclosure of relationship between directors inter-se

Mr. Pravin Kakadia, Chairman & Director and Mr. Samir Kakadia, Managing Director are brothers; Mrs. Priti Kakadia, Director is the spouse of Mr. Samir Kakadia. Other than Mr. Pravin Kakadia, Chairman & Director; Mr. Samir Kakadia, Managing Director and Mrs. Priti Kakadia, Director, none of the Directors are related to any other Director.

(ix) Independent Director:

Your Company appointed Independent Directors who are having expertise / experience in their respective field / profession. None of the Independent Directors are promoters or related to Promoters. They do not have pecuniary relationship with the Company. Every Independent Director at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting in the Board in every financial year, gives declaration that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

All Independent Directors maintain their limits of directorships as required under Regulation 25 of the Listing Regulations.

(x) Meeting of Independent Directors

In accordance to Schedule IV of the Companies Act, 2013 and the rules made thereunder, the meeting of Independent Directors of the Company shall be held at least once in a year without the attendance of non-independent directors and members of the management.

During the year, meeting of Independent Directors was held on 12.01.2021 to review the performance of the Chairman, Non executive Directors, and Board as a whole and to assess the quality, quantity and timeliness of flow of information between the management and board. All the Independent Directors were present at the Meeting.

(xi) Familiarization Programs imparted to Independent Directors

The Company has taken initiatives to familiarize its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry, etc through various programmes as per Regulation 25 of the Listing Regulations.

The details of the said familiarization programme are provided on the website of the Company and can be accessed at following link: <http://www.patdiam.com/#!/Investor>

3. COMMITTEES OF THE BOARD

Details of the Board Committees and other related information are provided hereunder:

I. AUDIT COMMITTEE

a) Brief description of terms of reference:

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the half yearly and annual financial results;
4. Review and approval of related party transactions;
5. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the (i) Director's Responsibility Statement; (ii) major accounting entries; (iii) significant adjustments in financial statements arising out of audit findings; (iv) compliance with listing requirements etc.;
6. Interaction with statutory auditor;
7. Recommendation for appointment and remuneration of auditors; and
8. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and

b) Composition, Name of members and Chairman:

As on March 31, 2021, the Audit Committee of the Board comprises of Two (2) Non-Executive Independent Directors. Mr. Jayesh Avaiya, Mr. Prakash Shah and Mrs. Priti Kakadia are the members of the Committee. Mr. Jayesh Avaiya is the Chairperson of the Audit Committee. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

Chief Financial Officer (CFO) and Statutory Auditor attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.

All the members of the Audit Committee are financially literate as per the requirement of Regulation 18 of the Listing Regulations

c) Meetings and attendance during the year:

Five Audit Committee Meetings were held during the financial year ended March 31, 2021 on 30.05.2020, 30.06.2020, 30.07.2020, 12.11.2020 and 12.01.2021. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.

The attendance of committee members at the meetings was as follows:

| Name of Member | Category | No. of Meetings | No. of Meetings |
|----------------|----------|-----------------|-----------------|
|----------------|----------|-----------------|-----------------|

PATDIAM JEWELLERY LIMITED

| | | held during the year 2020-21 | Attended |
|--------------------|------------------------------------|------------------------------|----------|
| Mr. Jayesh Avaiya | Non Executive-Independent Director | 5 | 5 |
| Mrs. Priti Kakadia | Women Non Executive Director | 5 | 5 |
| Mr. Prakash Shah | Non Executive-Independent Director | 5 | 5 |

II. NOMINATION AND REMUNERATION COMMITTEE

a) Brief description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Carry on the evaluation of every director's performance;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

b) Composition, Name of members and Chairman:

The Nomination and Remuneration Committee was constituted by the Board with 2 Independent Directors. As on March 31, 2021, the Committee comprised of Mr. Prakash Shah as its Chairman and Mr. Jayesh Avaiya and Mrs. Priti Kakadia as its other members, all of whom are non executive directors. The Company Secretary acts as the Secretary of the Committee.:

c) Number of Committee Meetings & Attendance

During the financial year ended March 31, 2021, One meeting of the committee was held on 26.11.2020. The attendance of committee members at the meetings was as follows:

| Name of Member | No. of Meetings held during the year 2020-21 | No. of Meetings Attended |
|--------------------|--|--------------------------|
| Mr. Jayesh Avaiya | 1 | 1 |
| Mrs. Priti Kakadia | 1 | 1 |
| Mr. Prakash Shah | 1 | 1 |

d) Nomination and Remuneration policy

The Board of Directors has on the recommendation of the Committee framed a policy for selection and appointment of Directors, senior management and their remuneration. The said policy has been hosted on the website of the Company and can be accessed at following link: <http://www.patdiam.com/#!/Investor>

e) Performance evaluation of Directors

During the year under review, pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of performance of all Directors is undertaken annually. The company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprise evaluation criteria taking into consideration various performance related aspects.

The Board of Directors has expressed their satisfaction with the valuation process.

f) Details of Remuneration paid to Executive & Non Executive Directors:

| Name of the Director | Salary | Perquisite & Allowance | Commission | Sitting Fees | Total |
|----------------------|---------|------------------------|------------|--------------|----------------|
| Mr. Samir Kakadia | 300,000 | - | - | - | 300,000 |
| Mr. Pravin Kakadia | - | - | - | - | - |
| Ms. Priti Kakadia | - | - | - | - | - |
| Mr. Prakash Shah | - | - | - | - | - |
| Mr. Paresh Shah | - | - | - | - | - |
| Mr. Jayesh Avaiya | - | - | - | - | - |

III. STAKEHOLDER RELATIONSHIP COMMITTEE

The Committee looks into the redressal of shareholders'/investors' complaints, such as transfer of securities, non - receipt of dividend, notice, Annual Reports and all other securities holder related matters.

a) Composition

The Stakeholders' Relationship Committee was constituted by the Board with 2 Independent Directors. As on March 31, 2021, the Committee comprised of Mr. Prakash Shah as its Chairman and Mr. Jayesh Avaiya and Mrs. Priti Kakadia as its other members, all of whom are non executive directors. The Company Secretary acts as the Secretary of the Committee.

b) Name and Designation of Compliance Officer

Ms. Navita Choudhary, Company Secretary is acting as Compliance Officer of the Company.

c) Meeting Details

The Stakeholders' Relationship Committee Constituted and met 4 times during the financial year ended March 31, 2021. The meeting of Committee were held on 30.05.2020, 30.07.2020, 14.10.2020 and 11.01.2021.

d) Stakeholders Grievance Redressal:

During the year ended 31st March, 2021, no Shareholders' Complaints were received by the Company.

4. GENERAL BODY MEETINGS

a) Annual General Meetings

Location, time and date where the three immediately preceding Annual General Meetings of the Company were held are given below:

| YEAR | DATE | VENUE | TIME |
|-----------------------------------|------------|---|------------|
| 19 th AGM 2017-2018 | 28/09/2018 | Gala No 102, Bldg No. 1, SEEPZ SEZ, Andheri East, Mumbai – 400 096 | 02.00 P.M. |
| 20 th AGM 2018-2019 | 26/09/2019 | Gala No 102, Bldg No. 1, SEEPZ SEZ, Andheri East, Mumbai – 400 096 | 01.00 P.M. |
| 21 st AGM 2019-20 | 24/12/2020 | Gala No 102, Bldg No. 1, SEEPZ SEZ, Andheri East, Mumbai – 400 096 | 01.00 P.M. |

Special Resolution:

1. Following Special Resolution is passed in the Annual General Meeting held on 28th September, 2018.
 - Special resolution for approval for entering into Related Party transactions by the Company.
2. Following Special Resolution is passed in the Annual General Meeting held on 26th September, 2019.
 - Special resolution for approval for appointment of Mr. Samir Kakadia as the Managing Director of the Company.
 - Special resolution for approval for entering into Related Party transactions by the Company.
3. Following Special Resolution is passed in the Annual General Meeting held on 24th December, 2020.
 - Special resolution for approval for entering into Related Party transactions by the Company.
 - Special resolution for approval for Re-appointment of Mr. Prakash Amritlal Shah as an Independent Director of the Company.
 - Special resolution for approval for Re-appointment of Mr. Jayesh Manjibhai Avaiya as an Independent Director of the Company.

b) Extra Ordinary General Meetings

No Extraordinary General Meeting was held during the financial year 2020-21.

c) Special Resolution passed through Postal Ballot

There was no resolution was passed through Postal Ballot during the financial year 2020-21.

5. MEANS OF COMMUNICATION:

All important information relating to Company and its performance including the financial results and shareholding pattern are displayed on the Company's website www.patdiam.com. The website contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available.

All periodical compliance filings like shareholding pattern, corporate governance report, Results, among others are filed electronically on BSE Listing Centre, an application designed by BSE Limited.

The Company has designated an e-mail id for registering investor complaints in the name of investors@patdiam.com

6. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting for the Financial Year 2020-21

Date: 30th September, 2021

Time: 01.00 P.M.

Venue: Gala No. 102, Bldg No. 1, Seepz, Sez, Andheri (E), Mumbai – 400096

b) Financial Year

The financial year of the Company is from April 1 to March 31.

c) Dates of Book Closure

24th September, 2021 to 30th September, 2021 (both days inclusive)

d) Dividend

Your Directors do not recommend any dividend for the year ended 31st March 2021.

e) Listing on stock exchanges

The Equity Shares of the Company are listed on SME Platform of BSE

f) Listing Fee

Annual Listing Fees as prescribed has been paid to the said Stock Exchange for the year 2020-21.

g) Stock Exchange Code

Security Code: 539401 & ISIN: INE473T01011 (BSE Limited; BSE SME Segment)

h) Stock Market price data

Monthly high and low at the Bombay Stock Exchange Limited for financial year ended 31st March, 2021

| Month | High (Rs.) | Low (Rs.) |
|-----------------|------------|-----------|
| April, 2020 | 94.20 | 79.20 |
| May, 2020 | 94.20 | 94.10 |
| June, 2020 | - | - |
| July, 2020 | - | - |
| August, 2020 | - | - |
| September, 2020 | - | - |
| October, 2020 | 89.00 | 82.00 |
| November, 2020 | 85.00 | 84.00 |
| December, 2020 | - | - |
| January, 2021 | - | - |
| February, 2021 | 84.00 | 80.00 |
| March, 2021 | 75.00 | 75.00 |

PATDIAM JEWELLERY LIMITED

i) Performance in comparison to BSE SENSEX:

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

| | April, 2020 | March, 2021 | % Change |
|-------------------------------|--------------------|--------------------|-----------------|
| Company Share Price (closing) | 94.20 | 75.00 | 25.60 |
| SENSEX (closing) | 33,717.62 | 49,509.15 | 46.83 |

j) Registrar and Share Transfer Agents

BIGSHARE SERVICES PRIVATE LIMITED
 Add: 1st Floor, Bharat Tin Works Building,
 Opp. Vasant Oasis, Makwana Road,
 Marol, Andheri East,
 Mumbai – 400 059, Maharashtra
 Tel. No. 022- 6263 8200
 E-mail: investor@bigshareonline.com
 Website: www.bigshareonline.com

k) Share Transfer System

As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit of the accounts involved.

l) Distribution of Shareholding as on March 31, 2021:

| No. of Equity Shares held | Shareholders | | Shares | |
|---------------------------|--------------|-------------------------|-----------------|--------------------|
| | Number | % to total Shareholders | Amount | % to total Capital |
| 1 - 10000 | 98 | 70.00 | 3585000 | 8.30 |
| 10001 - 20000 | 21 | 15.00 | 3105000 | 7.19 |
| 20001 - 30000 | 6 | 4.29 | 1575000 | 3.65 |
| 30001-50000 | 9 | 6.43 | 3310500 | 7.67 |
| 50001-100000 | - | - | - | - |
| 100001-9999999999 | 6 | 4.28 | 31594500 | 73.19 |
| Total | 140 | 100.00 | 43170000 | 100.00 |

m) Categories of Shareholding as on March 31, 2021

| Category | Shareholders | Shares | | |
|--------------------------|--------------|-------------------------|---------|--------------------|
| | Number | % to total Shareholders | Number | % to total Capital |
| Promoters Holding | | | | |
| Indian Promoters | 7 | 5.18% | 3201000 | 74.15% |
| Foreign Promoters | 0 | 0.00% | - | 0.00% |

PATDIAM JEWELLERY LIMITED

| | | | | |
|--------------------------------------|------------|----------------|------------------|----------------|
| Total of promoter holding | 7 | 5.18% | 3201000 | 74.15% |
| Non- Promoter Holding | | | | |
| Institutional Investors | 0 | 0.00% | 0 | 0.00% |
| FII's | 0 | 0.00% | 0 | 0.00% |
| Others | | | | |
| Bodies Corporate | 1 | 0.74% | 21000 | 0.49% |
| Individuals | 120 | 88.89% | 991500 | 22.96% |
| NRIs/OCBs | 0 | 0.00% | 0 | 0.00% |
| Clearing Members | 0 | 0.00% | 0 | 0.00% |
| HUF | 7 | 5.19% | 103500 | 2.40% |
| Total of non-promoter holding | 128 | 94.82% | 1116000 | 25.85% |
| Grand Total | 135 | 100.00% | 4,317,000 | 100.00% |

n) Dematerialization of shares and liquidity

100% of the Company's paid up Equity Share Capital is held in dematerialized form with the National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) as on 31st March, 2021.

o) Outstanding GDRs / ADRs / Warrants or any convertible instruments and likely impact on equity

There are no outstanding Global Depository Receipts/ American Depository Receipts or Warrants or any convertible instruments as on the date of 31.03.2021.

p) Commodity price risk or foreign exchange risk and hedging activities

The Company is not carrying on any Commodity business and has also not undertaken any hedging activities hence same are not applicable to the Company.

q) Corporate Identification Number (CIN)

The Corporate Identification Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is L36911MH1999PLC120537 and Company registration number is 11- 120537. The Company is registered in the state of Maharashtra with Registrar of Companies, Mumbai, Maharashtra.

r) Address for Correspondence

Shareholding related queries

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East,
Mumbai – 400 059, Maharashtra
Tel. No. 022- 6263 8200
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

General correspondence:

PATDIAM JEWELLERY LIMITED
Gala No 102, Bldg No. 1,
SEEPZ SEZ, Andheri (E),
Mumbai – 400 096, Maharashtra
Tel: +22-2829 3455/56
Fax: +22-2829 3459
E-mail: info@patdiam.com;
Investor Complaints:
investors@patdiam.com;cs@patdiam.com
Website: www.patdiam.com

7. OTHER DISCLOSURES

a) Related Party Transactions:

The statement of related party transactions is placed before the board at every meeting. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed separately as Annexure in the Notes to Accounts in the Annual Report.

The policy on Related Party Transaction is hosted on the website of the Company

b) Compliances by the Company:

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period.

c) Whistle Blower Policy/Vigil Mechanism:

The Company has established Vigil Mechanism and adopted Whistle blower policy for its directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimization of persons who use such mechanism. The Company has formulated a Whistle blower policy and has been posted on the website of the Company www.patdiam.com.

We affirm that no personnel were denied access to the audit committee.

d) Compliance with the Mandatory requirements and Implementation of the Non-mandatory requirements:

The Company has complied with the mandatory requirement of the Corporate Governance Clause of Listing Agreement. The Company has not implemented the non-mandatory requirements enlisted by way of annexure to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR).

e) Secretarial Audit for reconciliation of capital

A qualified Practicing Company Secretary has carried out secretarial audit for every quarter to reconcile the total admitted capital with both the depositories; viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate total number of shares in physical form, shares allotted & advised for demat credit but pending execution and the total number of dematerialized shares held with NSDL and CDSL. The Company had submitted the secretarial audit report to BSE within 30 days from the end of each quarter in accordance with the SEBI requirements.

f) Risk Management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Board.

g) Code of Conduct

As provided under Listing Regulations and in line with the Company's objective of following the best Corporate Governance Standards the Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The code has been circulated to all the members of the Board and Senior Management and the same has been put on the Company's website www.patdiam.com.

h) CEO/CFO Certification

In line with the requirements of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Mr. Pravin Kakadia, Chairman; Mr. Samir Kakadia, Managing Directors and Mr. Bharat Kumar Shah, Chief Finance Officer have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

i) Company Secretary in Practice Certification:

In accordance with the Listing Regulations, the Company has obtained the certificate from a Practising Company Secretary confirming that as on March 31, 2021, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the same is appended to this Report.

j) Disclosure with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are no outstanding shares in the demat suspense account.

k) Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

l) Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31, 2021, there were no proceeds from public issues, rights issues, preferential issues, etc.

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

| | |
|--|-----|
| Number of complaints filed during the financial year | NIL |
| Number of complaints disposed of during the financial year | NIL |

PATDIAM JEWELLERY LIMITED

| | |
|--|-----|
| Number of complaints pending as on end of the financial year | NIL |
|--|-----|

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31, 2021.

For **PATDIAM JEWELLERY LIMITED**

Date: 06.09.2021
Place: Mumbai

SAMIR KAKADIA
MANAGING DIRECTOR

CEO AND CFO CERTIFICATION

We hereby certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended 31stMarch, 2021 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
3. 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 we have disclosed to the auditors and the Audit Committee, 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 rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee that there are no:
 - a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

For Patdiam Jewellery Limited

Date:06.09.2021

Place: Mumbai

**Pravin Kakadia
Chairman &
Director**

**Samir Kakadia
Managing
Director**

**Bharat Kumar Shah
Chief Financial
Officer**

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Patdiam Jewellery Limited

We have examined the compliance of conditions of Corporate Governance by Patdiam Jewellery Limited (the Company) for the year ended March 31st, 2021, as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) of the said Company with the Stock Exchange.

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

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

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

For Pulindra Patel & Co.
Chartered Accountants
ICAI FRN: 115187W

Place: Mumbai
Date: 06.09.2021

PULINDRA M. PATEL
Proprietor
Membership No. 48991

PATDIAM JEWELLERY LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and schedule V para C clause of (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

To
The Members,
PATDIAM JEWELLERY LIMITED

This certificate is issued pursuant to clause of (10)(i) of part C of schedule V of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

On the basis of documents and explanations given to us by the Company/Director, we hereby certify that **none** of the following directors on the board of **PATDIAM JEWELLERY LIMITED** ("the Company") have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI, Ministry of Corporate Affairs or any other Statutory Authority as on March 31, 2021:

- Mr. Pravin Thakersey Kakdia – (DIN: 00178140)
- Mr. Samir Thakurshibhai Kakadia – (DIN: 00178128)
- Mrs. Priti Samir Kakadia – (DIN: 00178147)
- Mr. Prakash Amritlal Shah – (DIN: 07280925)
- Mr. Jayesh Manjibhai Avaiya – (DIN: 07280939)

**FOR SKJ & Associates
Company Secretaries**

Place: Mumbai
Date: 06.09.2021

**SATISH KUMAR JAIN
Proprietor
FCS-6398/PCS-6632
UDIN: F006398C000904284**

**Independent Auditor's Report
To the Members of PATDIAM JEWELLERY LIMITED
Report on the Audit of the Financial Statements**

Opinion

We have audited the accompanying financial statements of PATDIAM JEWELLERY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of the Management and Those charged With Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that

PATDIAM JEWELLERY LIMITED

give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (i) Identify and assess the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- (iv) 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

PATDIAM JEWELLERY LIMITED

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

- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the interim consolidated 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, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. In accordance with the requirements of SA 701, the auditor describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

PATDIAM JEWELLERY LIMITED

- (d) In our opinion, the aforesaid standalone financial statements comply with the 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 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Pulindra Patel &Co.

Chartered Accountants

FRN No. 115187W

Pulindra Patel

Proprietor

Membership No. 48991

UDIN : 21048991AAAAIM4481

Place : Mumbai

Date : 23rd June, 2021

Annexure (A) to The Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Patdiam Jewellery Limited on the standalone financial statements for the year ended 31st March, 2021]

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) As per the information and explanations given to us, the immovable properties owned by the company are held in the name of the company.
2. The Inventories have been physically verified during the year by the management. In our opinion, frequency of verification of inventory is reasonable. There is no material discrepancies noticed by the management.
3. According to the information and explanations given to us, the company has not granted loans secured or unsecured to companies, firms Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act.
4. As per the information and explanations provided to us, the company has executed corporate bank guarantees to a partnership firm in which directors are partners by the company, the company has complied with the provision of 185 of the Companies Act, 2013. There are no other loans and investments made by the company to which provisions of section 185 of the Companies Act, 2013 apply.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

PATDIAM JEWELLERY LIMITED

7. a) According to the information and explanations given to us and on the basis of the examination of the books of account, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Excise Duty, and other statutory dues applicable to it with the appropriate authorities.

b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Customs Duty, Excise Duty and other undisputed statutory dues were outstanding, at the year end for a period of more than six months from the date they became payable.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to banks. The Company does not have any borrowings by way debentures.
9. The Company has raised money by way of initial public offer and has utilized the amount raised for the purpose for which it has been raised. The Company has not raised any money by way of debt instruments during the year and did not have any term loans outstanding during the year.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. As per the information and explanations given to us the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
12. As per the information and explanations given to us the company is not a Nidhi Company.
13. As per the information and explanations given to us the company all transactions with the related parties are in compliance with section 177 and 188 of the

PATDIAM JEWELLERY LIMITED

Companies Act, 2013 where applicable and details have been disclosed in the Financial Statements, etc., as required by the applicable accounting standards.

14. As per the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year review.
15. As per the information and explanations given to us, the company has not entered into any non- cash transactions with the directors or persons connected with him.
16. As per the information and explanations given to us, the company is not required to get it registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Pulindra Patel &Co.

Chartered Accountants

FRN No. 115187W

Place : Mumbai

Date : 23rd June, 2021

Pulindra Patel

Proprietor

Membership No. 48991

UDIN : 21048991AAAAIM4481

Annexure 'B' to The Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of Patdiam Jewellery Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected

PATDIAM JEWELLERY LIMITED

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting:

.A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2021, 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.

PATDIAM JEWELLERY LIMITED

For Pulindra Patel &Co.

Chartered Accountants

FRN No. 115187W

Pulindra Patel

Proprietor

Membership No. 48991

UDIN : 21048991AAAAIM4481

Place : Mumbai

Date : 23rd June, 2021

PATDIAM JEWELLERY LIMITED

BALANCE SHEET AS ON 31st MARCH, 2021

| | Notes No. | ₹ | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|--|--------------|--------------|--------------------------|--------------------------|
| I EQUITY & LIABILITIES : | | | | |
| 1) SHAREHOLDERS FUNDS | | | | |
| (a) Share Capital | 1 | 4,31,70,000 | | 4,31,70,000 |
| (b) Reserves and Surplus | 2 | 34,77,82,491 | | 31,99,47,240 |
| Total Equity | | | 39,09,52,491 | 36,31,17,240 |
| 2) NON-CURRENT LIABILITIES | | | | |
| (a) Long - term borrowings | 3 | 1,79,66,666 | | - |
| (b) Deferred tax liability (net) | 4 | 3,29,526 | | - |
| (c) Other long term liabilities | | - | | - |
| (d) Long - term provisions | | - | | - |
| Total Non-Current Liabilities | | | 1,82,96,192 | - |
| 3) CURRENT LIABILITIES | | | | |
| (a) Short term borrowings | 5 | 6,81,61,287 | | 9,53,34,605 |
| (b) Trade payables due to | 6 | | | |
| Micro and small enterprises | | 2,98,597 | | 4,09,331 |
| Other than micro and small enterprises | | 2,01,95,884 | | 1,92,38,081 |
| (c) Other current liabilities | 7 | 1,16,07,375 | | 75,15,255 |
| (d) Short - term provisions | 8 | 1,04,48,216 | | 1,21,81,044 |
| Total Current Liabilities | | | 11,07,11,359 | 13,46,78,315 |
| Total ₹ | | | 51,99,60,043 | 49,77,95,556 |
| II ASSETS : | | | | |
| 1) NON - CURRENT ASSETS | | | | |
| (a) Fixed assets | | | | |
| (i) Tangible assets | 9 | 2,28,44,806 | | 2,08,42,038 |
| (ii) Intangible assets | | - | | - |
| (b) Non - current investment | 10 | 92,80,666 | | 92,80,666 |
| (c) Deferred tax assets (net) | 11 | - | | 2,92,685 |
| (d) Long - term loans & advances | 12 | 17,67,869 | | 21,01,166 |
| (e) Other non - current assets | | - | | - |
| Total Non-Current Assets | | | 3,38,93,342 | 3,25,16,555 |
| 2) CURRENT ASSETS | | | | |
| (a) Current investment | | - | | - |
| (b) Inventories | 13 | 14,58,29,462 | | 22,81,86,785 |
| (c) Trade receivables | 14 | 30,41,75,248 | | 21,79,19,476 |
| (d) Cash & bank balance | 15 | 3,19,98,966 | | 57,96,431 |
| (e) Short - term loans & advances | 16 | 40,63,025 | | 1,33,76,309 |
| (f) Other current assets | | - | | - |
| Total Current Assets | | | 48,60,66,702 | 46,52,79,001 |
| Total ₹ | | | 51,99,60,043 | 49,77,95,556 |
| Significant Accounting Policies | | | | |
| See accompanying Notes to the Financial Statements 1 to 36 | | | | |

As per our report of even date

For Pulindra Patel & Co.
Chartered Accountants
FRN No.115187W

For and on behalf of the Board of Directors

Pulindra Patel Bharat Shah Navita Choudhary
Proprietor *Chief Financial Officer* *Company Secretary*
Membership No. 048991
Place : Mumbai
Date : 23rd June, 2021

Mr. Pravin Kakadia Mr. Samir Kakadia
Chairman & Director *Managing Director*
(DIN 00178140) (DIN 00178128)
Place : Mumbai
Date : 23rd June, 2021

PATDIAM JEWELLERY LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2021

| | Notes No. | Current Year 31.03.2021 ₹ | Previous Year 31.03.2020 ₹ |
|---|--------------|---------------------------------|----------------------------------|
| I INCOME | | | |
| Revenue from operations | 17 | 67,56,41,540 | 62,60,60,246 |
| Other income | 18 | 2,47,550 | 2,13,41,461 |
| Total Income | | 67,58,89,090 | 64,74,01,707 |
| II EXPENSES : | | | |
| Cost of materials consumed | 19 | 50,88,54,855 | 52,15,81,352 |
| Purchase of Stock-in-trade | | 2,42,17,192 | 35,71,319 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-trade | 20 | 39,83,432 | (2,08,12,447) |
| Employee benefits expenses | 21 | 91,28,406 | 1,39,28,460 |
| Finance costs | 22 | 73,94,059 | 70,67,438 |
| Depreciation, amortisation and impairment | 9 | 26,44,636 | 25,25,003 |
| Other Expenses | 23 | 8,14,06,581 | 9,59,00,185 |
| Total Expenses | | 63,76,29,160 | 62,37,61,309 |
| III PROFIT BEFORE TAX | | 3,82,59,930 | 2,36,40,397 |
| IV TAX EXPENSES | | | |
| - Current tax | | 92,00,000 | 64,00,000 |
| - Prior year tax | | 6,02,467 | 3,50,740 |
| - Deferred tax | | 6,22,212 | (5,61,577) |
| V PROFIT/(LOSS) FOR THE PERIOD | | 2,78,35,251 | 1,74,51,235 |
| VI EARNINGS PER EQUITY SHARE (Face Value ₹ 10/-) | | | |
| Basic | | 6.45 | 4.04 |
| Diluted | | 6.45 | 4.04 |
| Significant Accounting Policies | | | |
| See accompanying Notes to the Financial Statements | 1 to 36 | | |

As per our report of even date

For Pulindra Patel & Co.
Chartered Accountants
FRN No.115187W

For and on behalf of the Board of Directors

Pulindra Patel
Proprietor
Membership No. 048991
Place : Mumbai
Date : 23rd June, 2021

Bharat Shah
Chief Financial Officer

Navita Choudhary
Company Secretary

Mr. Pravin Kakadia
Chairman & Director
(DIN 00178140)
Place : Mumbai
Date : 23rd June, 2021

Mr. Samir Kakadia
Managing Director
(DIN 00178128)

PATDIAM JEWELLERY LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st MARCH, 2021

| | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|---|--------------------------|--------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS | 3,82,59,930 | 2,36,40,397 |
| ADJUSTMENT FOR : | | |
| Depreciation and amortisation | 26,44,636 | 25,25,003 |
| Finance costs | 73,94,059 | 70,67,438 |
| Interest income | (1,26,863) | (2,49,822) |
| Foreign Exchange unrealised loss / (gain) | (1,30,53,295) | (1,30,53,295) |
| | <u>(31,41,463)</u> | <u>(37,10,676)</u> |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 3,51,18,467 | 1,99,29,721 |
| ADJUSTMENT FOR : | | |
| (Increase) / Decrease in Trade Receivables | (6,92,79,901) | 1,74,67,284 |
| (Increase) / Decrease in Inventory | 8,23,57,322 | (4,41,56,589) |
| Increase / (Decrease) in Trade Payables | (5,25,418) | 70,97,228 |
| Increase / (Decrease) in Other Current Liabilities & Provisions | 16,96,620 | 6,97,698 |
| (Increase) / Decrease in Long Term Loans & Advances | 3,33,297 | 16,79,234 |
| (Increase) / Decrease in Loans & Advances | 97,99,193 | (51,68,126) |
| | <u>2,43,81,112</u> | <u>(2,23,83,271)</u> |
| CASH GENERATED FROM OPERATIONS | 5,94,99,579 | (24,53,550) |
| Direct tax paid (net) | (91,51,324) | (48,31,717) |
| | <u>(91,51,324)</u> | <u>(48,31,717)</u> |
| CASH FLOW BEFORE EXTRAORDINARY ITEMS | 5,03,48,255 | (72,85,267) |
| NET CASH FROM OPERATING ACTIVITIES | 5,03,48,255 | (72,85,267) |
| B) CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchase of fixed assets | (46,47,405) | (19,97,606) |
| Interest received | (4,29,122) | (3,06,163) |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | (50,76,527) | (23,03,769) |
| C) CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Repayment of long/short term borrowing (net) | (1,16,75,134) | (1,84,18,397) |
| Finance Cost | (73,94,059) | (70,67,437) |
| | <u>(1,90,69,193)</u> | <u>(2,54,85,835)</u> |
| NET CASH USED IN FINANCING ACTIVITIES | (1,90,69,193) | (2,54,85,835) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 2,62,02,535 | (3,50,74,870) |
| CASH AND CASH EQUIVALENTS AS AT 01.04.2020 | 57,96,431 | 4,08,71,301 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.2021 | 3,19,98,966 | 57,96,431 |

As per our report of even date.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra Patel Bharat Shah Navita Choudhary
Proprietor Chief Financial Officer Company Secretary
Membership No. 048991
Place : Mumbai
Date : 23rd June, 2021

Mr. Pravin Kakadia Mr. Samir Kakadia
Chairman & Director Managing Director
(DIN 00178140) (DIN 00178128)
Place : Mumbai
Date : 23rd June, 2021

PATDIAM JEWELLERY LIMITED
SIGNIFICANT ACCOUNTING POLICIES :

A) BASIS OF PREPARATION OF ACCOUNTS :

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof.

B) USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principals (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and reported amounts of revenue and expenses for the year. Although these estimates are based upon management 's best knowledge of current events and actions , actual result could differ from these estimates.

C) FIXED ASSETS :

Tangible Fixed Assets (excluding Land & Building) are stated at cost (Net of Gst wherever applicable). They are stated at historical cost less accumulated depreciation and Impairment loss.

Machinery spares which can be used only in connection with a particular item of fixed asset and the use of which is irregular, are capitalised at cost net of Gst credit, wherever applicable.

D) DEPRECIATION :

Depreciation on Fixed Assets is provided on "Written Down Value" method and at the rates prescribed in Schedule II of the Companies Act, 2013. Depreciation on addition to fixed assets is provided on prorata basis from the date of acquisition or installation. Depreciation on assets sold, discarded, demolished or scrapped, is provided upto the month in which the said assets is sold, discarded, demolished or scrapped.

E) IMPAIRMENT OF ASSETS :

- i) At each Balance sheet date, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard (As)-28 "Impairment of Assets".
- ii) After Impairment, depreciation is provided on the revised carrying amount of the assets.
- iii) A Previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if no impairment loss had been recognized.

F) INVENTORIES :

- i) Raw materials are valued at cost or market value, whichever is lower on first in first out basis.
- ii) Stores and Spares are valued at cost on first in first out basis.
- iii) Work in progress comprises of direct material, proportionate conversion cost or net realisable value whichever is less
- iv) Cost of finished goods comprises of direct material, conversion cost and all other cost incurred in bringing material to its present location and are valued at cost or net realisable value whichever is lower. Trading goods are valued at Cost or net realisable value, Whichever is lower.
Note : Inventories of cut and polished diamonds are valued at cost or market price whichever is lower based on the valuation report obtained from Government approved Valuer.

G) FOREIGN CURENCY TRANSACTIONS :

Monetary Assets except those which are covered by forward exchange contracts and monetary liabilities, i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of Balance Sheet. In case of transactions which are covered by forward exchange contracts, the difference between the forward rate and the spot rate is recognised as income or expense over the life of contracts. Realised gains and losses on foreign currency transactions are recognised in the Profit & Loss Account.

Monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and is recognised over the life of the contract.

Transactions in foreign currencies Current Assets (including bank account maintained in foreign currency) and current liabilities (including bank loans taken in foreign currency), i.e. items to be received or paid in foreign currency, are stated at the exchange rates prevailing on the date of the Balance Sheet.

H) BORROWING COST

Financial Income and borrowing costs include interest income on bank deposits and interest expense on loans recognised when the right to receive the payment is established.

PATDIAM JEWELLERY LIMITED
SIGNIFICANT ACCOUNTING POLICIES :

I) RECOGNITION OF INCOME AND EXPENDITURE :

Revenues/Incomes and Cost/Expenditures are generally accounted on accrual basis as they are earned or incurred.

SALES :

Revenue is recognised when the significant risks and rewards of ownership to the goods is passed to the buyer.

Domestic sales are accounted on dispatch of products to customers and Export sales are accounted on the basis of dates of Bill of Lading. Domestic Sales are disclosed net of Value Added Tax, discounts and returns as applicable.

INTEREST:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

J) EMPLOYEE BENEFITS :

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of given years of service. The company has provided gratuity on the basis of the amount payable for gratuity as on the date of balance sheet.

K) RESEARCH AND DEVELOPMENT EXPENDITURE :

Revenue expenses on Research & Development are charged to the Profit & Loss Account in the year in which these are incurred. Capital expenditure is taken as addition to the fixed assets.

L) PROVISION FOR CURRENT AND DEFERRED TAX :

Deferred tax asset / Liability is Nil as there is no Timing Difference on account of Income referred to in Profit and Loss account and Computation of Income.

Income Tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income tax law and deferred tax charge or credit.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

M) PROVISIONS / CONTINGENCIES :

A Provision is created when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount and it is probable that an outflow of resources will be required to settle the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognise assets which are of contingent nature until there is virtual certainty of reliability of such assets. However, if it has become virtual certain that an inflow of economic benefits will arise, assets and related income is recognised in the financial statements of the period in which the change occurs.

N) EARNING PER SHARE :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for events of buy back. For the purpose of calculating diluted earnings per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all diluted potential equity shares.

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

1 SHARE CAPITAL

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|--|--------------------------|--------------------------|
| Authorised Capital: | | |
| 5000000 Equity Shares of ₹ 10/- each | 5,00,00,000 | 5,00,00,000 |
| (Previous year 5000000 Equity Shares of ₹ 10/- each) | 5,00,00,000 | 5,00,00,000 |
| Issued, Subscribed & Paid Up : | | |
| 4317000 Equity Shares of ₹ 10/- each | 4,31,70,000 | 4,31,70,000 |
| (Previous year 4317000 Equity Shares of ₹ 10/- each) | | |
| Total ₹ | 4,31,70,000 | 4,31,70,000 |

- 1.01 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:
Details to be given for each class of shares separately for Issued, Subscribed and fully paid up and Subscribed but not fully paid up as applicable.

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Equity shares with voting rights : | | |
| At the beginning of the year | | |
| - Number of shares | 4317000 | 4317000 |
| - Amount (₹) | 4,31,70,000 | 4,31,70,000 |
| Add : Addition during the year : | | |
| - Number of shares | - | - |
| - Amount (₹) | - | - |
| Less : Deduction During the year : | | |
| - Number of shares | - | - |
| - Amount (₹) | - | - |
| Year ended 31 March, | | |
| - Number of shares | 4317000 | 4317000 |
| - Amount (₹) | 4,31,70,000 | 4,31,70,000 |
| Equity shares with differential voting rights | | |
| Year ended 31 March, | - | - |

- 1.02 Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2021 | | As at 31 March, 2020 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Samir T.Kakadia | 940500 | 21.79% | 940500 | 21.79% |
| Pravin T.Kakadia | 1069950 | 24.78% | 1069950 | 24.78% |
| Maheshbhai L.Navadia | 354000 | 8.20% | 354000 | 8.20% |
| Ganesh K.Navadia | 352500 | 8.17% | 352500 | 8.17% |
| Chhaganbhai K.Navadia | 321000 | 7.44% | 321000 | 7.44% |
| Equity shares with differential voting rights | - | - | - | - |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

- 1.03 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

| Particulars | Aggregate number of shares | |
|--|----------------------------|---------------------|
| | As at 31.03.2021 | As at 31.03.2020 |
| <u>Equity shares with voting rights</u> | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | Nil | Nil |
| Fully paid up by way of bonus shares | Nil | Nil |
| Shares bought back | - | - |
| <u>Equity shares with differential voting rights</u> | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | Nil | Nil |
| Fully paid up by way of bonus shares | - | - |
| Shares bought back | - | - |

2 RESERVES AND SURPLUS

| Particulars | As at | As at |
|--|---------------------|---------------------|
| | 31.03.2021 ₹ | 31.03.2020 ₹ |
| (a) General Reserve : | | |
| As per last Balance Sheet | 18,20,00,000 | 18,20,00,000 |
| Add : Addition during the year | - | - |
| | 18,20,00,000 | 18,20,00,000 |
| (b) Security Premium Account : | | |
| As per last Balance Sheet | 3,68,76,000 | 3,68,76,000 |
| Add : Addition during the year | - | - |
| | 3,68,76,000 | 3,68,76,000 |
| (c) Profit & Loss Account | | |
| Surplus-Opening Balance | 10,10,71,240 | 8,36,20,006 |
| Add : Net Profit after tax transferred from Statement of Profit and Loss | 2,78,35,251 | 1,74,51,235 |
| | 12,89,06,491 | 10,10,71,240 |
| Total ₹ | 34,77,82,491 | 31,99,47,240 |

3 LONG TERM BORROWINGS

| Particulars | Interest date | Maturity date | As at | As at |
|---------------------------------|----------------|---------------|--------------------|-----------------|
| | | | 31.03.2021 ₹ | 31.03.2020 ₹ |
| (a) Term Loans : | | | | |
| - Secured from Bank (in Rupees) | | | | |
| - with Punjab National Bank * | 7.50% | Oct - 2024 | 93,00,000 | - |
| - with State Bank of India * | 7.80% to 9.25% | Sept - 2024 | 86,66,666 | - |
| | | | 1,79,66,666 | - |
| Total ₹ | | | 1,79,66,666 | - |

- 3.01 *Secured by hypothecation of Stock, Debtors and equitable mortgage of Plant & Machinery and Factory Building other movable assets at Unit No. 102, Tower No.1, SEEPZ++, SEEPZ SEZ, Andheri (E), Mumbai-400 096 and mortgage of property situated at Juhu, Mumbai in name of, Mr.Mahesh Navadia (Director) the said limit is also secured by personal guarantee of Director & relatives of directors.

4 DEFERRED TAX LAIBILITIES(NET)

| Particulars | As at | As at |
|--|-----------------|-----------------|
| | 31.03.2021 ₹ | 31.03.2020 ₹ |
| Deferred Tax Liabilities : | | |
| - i) Relating to Depreciation, Amortisation and Impairment | 16,10,521 | - |
| | 16,10,521 | - |
| Less : Deferred Tax Assets : | | |
| - ii) relating to Employee Benefits & Provision thereof | 12,80,995 | - |
| | 3,29,526 | - |
| Total ₹ | 3,29,526 | - |

PATDIAM JEWELLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****5 SHORT TERM BORROWINGS**

| Particulars | Interest date | Maturity date | As at | As at |
|--|----------------|-------------------|--------------------|--------------------|
| | | | 31.03.2021 | 31.03.2020 |
| | | | ₹ | ₹ |
| (a) Loans repayable on demand : | | | | |
| - Secured | | | | |
| From Bank Packing Credit in Foreign Currency | | Payable on demand | - | 4,56,55,203 |
| - with Punjab National Bank * | | | | |
| From Bank Packing Credit in rupee | | Payable on demand | 5,99,27,953 | 4,96,79,401 |
| - with State Bank of India* | | | | |
| | | | 5,99,27,953 | 9,53,34,605 |
| (b) Term Loans : | | | | |
| - Secured from Bank (in Rupees) | | | | |
| - with Punjab National Bank * | 7.50% | Oct - 2024 | 15,00,000 | - |
| - with State Bank of India * | 7.80% to 9.25% | Sept - 2024 | 17,33,334 | - |
| | | | 32,33,334 | - |
| (c) Loans and advances from related parties : | | | | |
| - Unsecured | | | | |
| | | Payable on demand | 50,00,000 | - |
| | | | 50,00,000 | - |
| Total ₹ | | | 6,81,61,287 | 9,53,34,605 |

5.01 *Secured by hypothecation of Stock , Debtors and equitable mortgage of Plant & Machinery and Factory Building other movable assets at Unit No. 102, Tower No.1, SEEPZ++, SEEPZ SEZ, Andheri (E), Mumbai-400 096 and mortgage of property situated at Juhu, Mumbai in name of , Mr.Mahesh Navadia (Director) the said limit is also secured by personal guarantee of Director & relatives of directors.

5.02 Above loans were drawn from time to time under a sanction letter which is renewable after one year against documents in the nature of Bills for raw material labour charges and export sales.

5.03 Interest is payable as per Reserve State Bank of India/Punjab National Bank Guidelines and linked to base Rate.

5.04 Tenure of Each Individual PC loan is 180 Days(PNB & SBI) and that of Loan Against bill is up to due date of Respective Bill.

6 TRADE PAYABLES

| Particulars | As at | As at | | |
|--|--------------------|-------------|--------------------|--------------------|
| | 31.03.2021 | 31.03.2020 | | |
| | | | ₹ | ₹ |
| Trade Payables | | | | |
| i) Total outstanding dues of micro enterprises and small enterprises | 2,98,597 | 4,09,331 | | |
| ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 2,01,95,884 | 1,92,38,081 | | |
| | | | 2,04,94,481 | 1,96,47,412 |
| Total ₹ | | | 2,04,94,481 | 1,96,47,412 |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

6.01 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES :

| | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|---|--------------------------|--------------------------|
| (i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year. | 21,37,177 | 4,09,331 |
| (ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006 | 37,860 | 15,590 |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 84,674 | 23,407 |
| (v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - |

7 OTHER CURRENT LIABILITIES

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|-------------------------------------|--------------------------|--------------------------|
| (a) Other payables : | | |
| i) Statutory dues payable | 6,17,402 | 7,47,139 |
| ii) Advance received from customers | 13,46,188 | 13,32,324 |
| iii) Provisions for Expenses | 96,43,784 | 54,35,792 |
| Total ₹ | 1,16,07,375 | 75,15,255 |

8 SHORT - TERM PROVISIONS

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|---|--------------------------|--------------------------|
| (a) Provision for employee benefits: | | |
| i) Provision for gratuity | 46,04,583 | 71,31,407 |
| ii) Provision for other employee benefits | 7,96,827 | 6,53,974 |
| | 54,01,410 | 77,85,381 |
| (b) Provision - Others: | | |
| i) Provision for tax (net) | 50,46,806 | 43,95,663 |
| Total ₹ | 1,04,48,216 | 1,21,81,044 |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

9 PROPERTY, PLANT AND EQUIPMENT :

| Particulars | TANGIBLE ASSETS | | | | | Total |
|---|--------------------|------------------------|----------------------|------------------|-----------------|--------------------|
| | Factory Building | Furniture and Fixtures | Plant and Equipments | Office Equipment | Vehicles | |
| GROSS CARRYING VALUE AT COST AS ON 1st April, 2019 | 2,19,74,573 | 1,35,60,427 | 2,78,92,932 | 14,88,977 | 22,11,257 | 6,71,28,165 |
| Addition | - | - | 18,12,873 | 1,84,733 | - | 19,97,606 |
| Deduction | - | - | - | - | - | - |
| As At 31st March, 2020 | 2,19,74,573 | 1,35,60,427 | 2,97,05,805 | 16,73,710 | 22,11,257 | 6,91,25,771 |
| Addition | - | - | 32,76,088 | 13,71,317 | - | 46,47,405 |
| Deduction | - | - | - | - | - | - |
| As At 31st March, 2021 | 2,19,74,573 | 1,35,60,427 | 3,29,81,893 | 30,45,027 | 22,11,257 | 7,37,73,176 |
| DEPRECIATION / AMORTISATION | | | | | | |
| Opening as on 1st April, 2019 | 1,04,00,909 | 1,27,37,829 | 1,98,41,264 | 10,14,117 | 17,64,611 | 4,57,58,731 |
| Charge for the year | 5,70,273 | 73,029 | 15,57,651 | 2,30,811 | 93,239 | 25,25,003 |
| Deduction | - | - | - | - | - | - |
| As At 31st March, 2020 | 1,09,71,182 | 1,28,10,858 | 2,13,98,915 | 12,44,928 | 18,57,851 | 4,82,83,734 |
| Charge for the year | 5,42,114 | 30,996 | 16,72,830 | 3,25,783 | 72,914 | 26,44,636 |
| Deduction | - | - | - | - | - | - |
| As At 31st March, 2021 | 1,15,13,296 | 1,28,41,855 | 2,30,71,745 | 15,70,711 | 19,30,765 | 5,09,28,370 |
| Net Carrying Value as at 31st March, 2020 | 1,10,03,391 | 7,49,569 | 83,06,890 | 4,28,782 | 3,53,406 | 2,08,42,038 |
| Net Carrying Value as at 31st March, 2021 | 1,04,61,277 | 7,18,572 | 99,10,148 | 14,74,316 | 2,80,492 | 2,28,44,806 |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

10 NON - CURRENT INVESTMENT

| Particulars | No. of Shares | Face Value | As at 31.03.2021 ₹ | No. of Shares | As at 31.03.2020 ₹ |
|---|---------------|------------|--------------------|---------------|--------------------|
| TRADE: | | | | | |
| In Equity Shares - Unquoted, fully paid up | | | | | |
| Others | | | | | |
| i) Saraswat Co-op Bank | 2500 | 10 | 25,000 | 2500 | 25,000 |
| ii) Americas Value Channel (Face value of US\$ 0 | 190000 | US \$ 10 | 87,92,568 | 190000 | 87,92,568 |
| iii) Gem Media Group LLC (Face value of US\$ 0 | 10000 | US \$ 10 | 4,63,098 | 10000 | 4,63,098 |
| Total ₹ | | | 92,80,666 | | 92,80,666 |
| Aggregate amount of quoted investments | | | - | | - |
| Aggregate market value of listed and quoted investments | | | - | | - |
| Aggregate amount of unquoted investments | | | 92,80,666 | | 92,80,666 |

11 DEFERRED TAX ASSETS(NET)

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|--|--------------------|--------------------|
| Deferred Tax Assets : | | |
| - i) relating to Employee Benefits & Provision thereof | - | 19,83,957 |
| | | 19,83,957 |
| Less : Deferred Tax Liabilities : | | |
| - i) Relating to Depreciation, Amortisation and Impairment | - | 16,91,272 |
| | | 16,91,272 |
| Total ₹ | - | 2,92,685 |

12 LONG - TERM LOANS & ADVANCES

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|---|--------------------|--------------------|
| (a) Security Deposits | | |
| Unsecured, considered good | 1,50,882 | 1,44,157 |
| | 1,50,882 | 1,44,157 |
| (b) Loans & Advances | | |
| Unsecured, considered good | | |
| Balance with or Refund Due From Statutory Authorities | 16,16,987 | 19,57,009 |
| | 16,16,987 | 19,57,009 |
| Total ₹ | 17,67,869 | 21,01,166 |

13 INVENTORIES

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|--|---------------------|---------------------|
| i) Raw Materials | 10,78,36,508 | 18,60,31,326 |
| ii) Work-In-Progress | 1,40,36,018 | 1,01,59,493 |
| iii) Finished Goods | 2,28,69,904 | 3,07,29,861 |
| iv) Stock of Consumable Stores & Spare parts | 10,87,032 | 12,66,105 |
| Total ₹ | 14,58,29,462 | 22,81,86,785 |

13.01 Inventories except Consumables Stores and Spares are valued at cost or net realisable value whichever is less.

13.02 Consumables Stores and Spares are valued at cost.

PATDIAM JEWELLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****14 TRADE RECEIVABLES**

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|---|--------------------------|--------------------------|
| Unsecured | | |
| Outstanding for a period exceeding six months from due date | | |
| - Considered good | 7,57,33,786 | 4,83,42,376 |
| - Considered doubtful | - | - |
| | 7,57,33,786 | 4,83,42,376 |
| Other Debts | | |
| - Considered good | 22,84,41,462 | 16,95,77,100 |
| - Considered doubtful | - | - |
| | 22,84,41,462 | 16,95,77,100 |
| Total ₹ | 30,41,75,248 | 21,79,19,476 |

15 CASH & BANK BALANCE

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|-------------------------|--------------------------|--------------------------|
| (a) Cash on hand | 2,01,095 | 3,50,686 |
| (b) Balances with banks | | |
| i) In Current Accounts | 2,60,22,871 | 20,745 |
| ii) In Margin Account | 7,75,000 | 7,75,000 |
| iii) Fixed Deposit | 50,00,000 | 46,50,000 |
| | 3,17,97,871 | 54,45,745 |
| Total ₹ | 3,19,98,966 | 57,96,431 |

16 SHORT TERM LOANS & ADVANCES

| Particulars | As at 31.03.2021 ₹ | As at 31.03.2020 ₹ |
|---|--------------------------|--------------------------|
| (Advances recoverable in cash or in kind or for value to be received) | | |
| (a) Loans to Advances | | |
| Unsecured, considered good | 20,75,178 | 22,23,421 |
| | 20,75,178 | 22,23,421 |
| (b) Prepaid expenses | 4,56,620 | 10,23,789 |
| | 4,56,620 | 10,23,789 |
| (c) Others | 15,31,227 | 1,01,29,099 |
| | 15,31,227 | 1,01,29,099 |
| Total ₹ | 40,63,025 | 1,33,76,309 |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

17 REVENUE FROM OPERATIONS

| Particulars | For the year ended 31.03.2021 ₹ | For the year ended 31.03.2020 ₹ |
|-------------------------------|--|--|
| a) Export goods | | |
| i) Sale of Manufactured goods | 64,87,36,503 | 62,23,69,037 |
| ii) Sale of Traded goods(IUT) | 2,50,30,172 | 36,91,209 |
| | 67,37,66,675 | 62,60,60,246 |
| b) Local goods | | |
| i) Sale of Traded goods | 17,68,865 | - |
| ii) Other Sale | 1,06,000 | - |
| | 18,74,865 | - |
| Total ₹ | 67,56,41,540 | 62,60,60,246 |

17.01 Sales of Product Comprises :

a) Export goods

i) Sale of Manufactured goods :

a) Exports of Diamond Studded Gold Jewellery

| | |
|--------------|--------------|
| 64,87,36,503 | 62,23,69,037 |
| 64,87,36,503 | 62,23,69,037 |

ii) Sale of Traded goods (IUT) :

a) Diamonds

| | |
|-----------|----------|
| 86,42,663 | 9,57,225 |
|-----------|----------|

b) Alloy

| | |
|----------|-----------|
| 1,91,608 | 20,43,108 |
|----------|-----------|

c) Gold Finding

| | |
|-----------|----------|
| 20,64,102 | 5,16,857 |
|-----------|----------|

d) Silver

| | |
|----------|----------|
| 2,38,018 | 1,74,019 |
|----------|----------|

e) Gold

| | |
|-------------|---|
| 1,38,93,781 | - |
|-------------|---|

| | |
|-------------|-----------|
| 2,50,30,172 | 36,91,209 |
|-------------|-----------|

b) Local goods

i) Sale of Traded goods :

a) Local Sale Diamond

| | |
|-----------|---|
| 17,68,865 | - |
|-----------|---|

| | |
|-----------|---|
| 17,68,865 | - |
|-----------|---|

ii) Other Sale :

a) Dust Sales

| | |
|----------|---|
| 1,06,000 | - |
|----------|---|

| | |
|----------|---|
| 1,06,000 | - |
|----------|---|

Total ₹

| | |
|--------------|--------------|
| 67,56,41,540 | 62,60,60,246 |
|--------------|--------------|

18 OTHER INCOME

| Particulars | For the year ended 31.03.2021 ₹ | For the year ended 31.03.2020 ₹ |
|---|--|--|
| a) Interest on Bank Deposit | 1,19,592 | 48,244 |
| b) Interest received - Others | 7,271 | 2,01,578 |
| c) Net gain on foreign currency transaction and translation | - | 1,92,51,142 |
| d) Miscellaneous income | 1,20,687 | 18,40,497 |
| Total ₹ | 2,47,550 | 2,13,41,461 |

PATDIAM JEWELLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****19 RAW MATERIALS CONSUMED**

| Particulars | For the | For the |
|-------------------------|-------------------------------|-------------------------------|
| | year ended 31.03.2021 ₹ | year ended 31.03.2020 ₹ |
| a) Opening Stock | 18,60,31,326 | 16,25,50,385 |
| b) Add: Purchases | | |
| i) Gold | 20,16,27,668 | 20,02,10,002 |
| ii) Diamond | 21,35,93,574 | 32,28,04,380 |
| iii) Finding Gold | 1,17,51,924 | 1,71,35,468 |
| iv) Finding Silver | 5,11,366 | 5,90,434 |
| v) Precious Stone | 11,53,223 | 31,45,118 |
| vi) Mountings | 8,86,622 | - |
| vii) Silver | 8,19,006 | 2,66,705 |
| viii) Zircon | 3,16,655 | 9,10,185 |
| | 43,06,60,037 | 54,50,62,292 |
| c) Less : Closing Stock | 10,78,36,508 | 18,60,31,326 |
| Total ₹ | 50,88,54,855 | 52,15,81,352 |

19.01 Raw Materials Consumed Comprise :

| | | |
|--------------------|--------------|--------------|
| i) Gold | 22,07,84,843 | 16,40,30,433 |
| ii) Diamond | 26,65,74,562 | 33,83,72,854 |
| iii) Finding Gold | 1,58,66,723 | 1,55,35,185 |
| iv) Finding Silver | 5,85,765 | 4,68,475 |
| v) Precious Stone | 3,08,300 | 20,89,681 |
| vi) Mountings | 8,86,622 | - |
| vii) Silver | 35,81,236 | 1,00,814 |
| viii) Zircon | 2,66,804 | 9,63,356 |
| ix) Platinum | - | 20,552.61 |

19.02 Value of imported raw materials consumed and the value of all indigenous raw materials similarly consumed and the percentage of each to the total consumption.

| Particulars | Amount in ₹ | | Percentage | |
|-----------------|--------------|--------------|------------|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Raw Materials : | | | | |
| a) Imported | 4,14,27,529 | 12,60,64,535 | 8.14% | 24.17% |
| b) Indigenous | 46,74,27,326 | 39,55,16,816 | 91.86% | 75.83% |

PATDIAM JEWELLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****20 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE**

| Particulars | For the year ended 31.03.2021 ₹ | For the year ended 31.03.2020 ₹ |
|---------------------|--|--|
| a) Closing Stocks | | |
| i) Work-In-Progress | 1,40,36,018 | 1,01,59,493 |
| ii) Finished Goods | 2,28,69,904 | 3,07,29,861 |
| | 3,69,05,922 | 4,08,89,354 |
| Less : | | |
| b) Opening Stocks | | |
| i) Work-In-Progress | 1,01,59,493 | 60,00,441 |
| ii) Finished Goods | 3,07,29,861 | 1,40,76,465 |
| | 4,08,89,354 | 2,00,76,907 |
| Total ₹ | 39,83,432 | (2,08,12,447) |

21 EMPLOYEE BENEFITS EXPENSES

| Particulars | For the year ended 31.03.2021 ₹ | For the year ended 31.03.2020 ₹ |
|---|--|--|
| a) Salaries, Wages, Bonus | 95,25,342 | 1,02,43,038 |
| b) Contribution to E.S.I.C. | 19,302 | 15,762 |
| c) Contribution to Provident Fund | 2,61,043 | 2,74,715 |
| d) Contribution to others Fund | 739 | 819 |
| e) Provision / Contribution to Group Gratuity | (24,53,324) | 18,53,641 |
| f) Workmen & Staff Welfare expenses | 17,75,304 | 15,40,485 |
| Total ₹ | 91,28,406 | 1,39,28,460 |

21.01 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

(i) Defined Contribution Plan :

Contribution to Provident Fund is ₹2,40,965/- (Previous year ₹2,53,113/-), ESIC and Labour Welfare Fund includes ₹4683/- (Previous year ₹5,589/-).

(ii) Defined Benefit Plan :

Gratuity & Leave Encashment:

The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days service for each completed year of service or part thereof depending on the date of joining. The benefit vests after five years of continuous service.

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

| Assumptions | Gratuity Funded 31.03.2021 | Gratuity Funded 31.03.2020 |
|---|--|---|
| | ₹ | ₹ |
| Reconciliation of opening and closing balances of the present value of the defined benefit obligation: | | |
| Present Value of obligation as at the beginning of the year | 71,31,407 | 54,38,381 |
| Current service cost | 6,79,966 | 10,76,389 |
| Interest cost | 4,85,275 | 4,16,858 |
| Prior Service Costs | - | - |
| Actuarial (gain) / loss | (36,18,565) | 3,60,394 |
| Benefits paid | (73,500) | (1,60,615) |
| Present Value of obligation as at the end of the year | 46,04,583 | 71,31,407 |
| Change in Plan Assets | | |
| Plan assets at period beginning, at fair value | - | - |
| Expected return on plan assets | - | - |
| Actuarial (gain) / loss | - | - |
| Contributions | 73,500 | 1,60,615 |
| Benefits paid | (73,500) | (1,60,615) |
| Plan assets at period end 2015, at fair value | - | - |
| Fair Value of Plan Assets | | |
| Fair Value of plan assets at the beginning of the year | - | - |
| Actual return on plan assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Fair Value of plan assets at the end of the year | - | - |
| Funded status | - | - |
| Excess of Actual over estimated return | NIL | NIL |
| The amounts to be recognized in the Balance Sheet and statements of Profit and Loss | | |
| Present value of obligations as at the end of year | 46,04,583 | 71,31,407 |
| Fair value of plan assets as at the end of the year | - | - |
| Funded status | (46,04,583) | (71,31,407) |
| Net asset/(liability) recognized in Balance Sheet | (46,04,583) | (71,31,407) |
| Expenses for the year | | |
| Current service cost | 6,79,966 | 10,76,389 |
| Interest cost on benefit obligation | 4,85,275 | 4,16,858 |
| Prior Service Costs | - | - |
| Expected return on plan assets | - | - |
| Net actuarial (gain)/loss recognised in the year | (36,18,565) | 3,60,394 |
| Total expenses recognised in the P & L A/c | (24,53,324) | 29,54,660 |
| Assumptions | | |
| | Gratuity 31.03.2021 | Gratuity 31.03.2020 |
| Discount Rate | 6.84% | 6.84% |
| Employee Turnover | 7.00% | 7.00% |
| Mortality | Indian Assured Lives Mortality(2012-14) Ultimate | |

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, and other relevant factors, such as supply and demand in the employment market.

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

22 FINANCE COST

| Particulars | For the year ended 31.03.2021 ₹ | For the year ended 31.03.2020 ₹ |
|---------------------------------|--|--|
| a) Interest on Bank Loan | 47,73,473 | 50,17,612 |
| b) Bank Loan Processing Charges | 25,82,726 | 20,34,236 |
| c) Interest on Others | 37,860 | 15,590 |
| Total ₹ | 73,94,059 | 70,67,438 |

23 OTHER EXPENSES

| Particulars | For the year ended 31.03.2021 ₹ | For the year ended 31.03.2020 ₹ |
|---|--|--|
| a) Payment to Contractor | 4,78,04,160 | 4,87,06,652 |
| b) Tools & Consumables | 1,06,36,757 | 64,45,458 |
| c) Power & Fuel Expenses | 22,31,935 | 29,26,426 |
| d) Insurance expenses | 20,95,457 | 20,44,829 |
| e) Rates & taxes | 9,73,635 | 6,33,105 |
| f) Miscellaneous Expenses | 23,84,855 | 29,52,330 |
| g) Auditors' Remuneration | 2,00,000 | 2,00,000 |
| h) Freight & Forwarding Charges | 53,60,888 | 47,26,090 |
| i) Sale & Marketing Expenses | 6,98,914 | 37,48,187 |
| j) Professional Fees | 15,15,681 | 39,31,860 |
| k) Repairs and Maintenance Expenses | 2,35,190 | 4,17,880 |
| l) Other Repair & Maintenance | 8,95,850 | 9,42,297 |
| m) Telephone Expenses | 2,93,695 | 3,33,551 |
| n) Travelling Expenses | 10,17,292 | 48,94,600 |
| o) Bank Charges | 28,48,964 | 26,56,459 |
| p) Bad debts | 15,10,113 | 1,03,40,461 |
| q) Net loss on foreign currency transaction and translation | 7,03,195 | - |
| Total ₹ | 8,14,06,581 | 9,59,00,185 |

23.01 Value of imported raw materials consumed and the value of all indigenous raw materials similarly consumed and the percentage of each to the total consumption.

| Particulars | Amount in ₹ | | Percentage | |
|------------------------------|-------------|-----------|------------|---------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| Consumable Stores & Spares : | | | | |
| a) Imported | 7,06,780 | 15,60,866 | 6.64% | 24.22% |
| b) Indigenous | 99,29,977 | 48,84,592 | 93.36% | 75.78% |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

24 CONTINGENT LIABILITIES NOT PROVIDED FOR :

- a) The Company has executed Corporate Guarantee of ₹ 120,000,000/- (Previous year ₹ 120,000,000/-) favouring Punjab National Bank Mumbai for its direct control by key managerail, Patdiam Jewels of firm, Mumbai.

25 Estimated amount of Contracts remaining to be executed on Capital Account and not provided for ₹.Nil. (Previous year ₹.Nil.)

26 IN THE OPINION OF THE DIRECTORS :

- a) The Current Assets and Loans & Advances are approximately of the value stated, if realised in the ordinary course of business.
- c) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary

27 DETAILS OF RELATED PARTIES TRANSACTIONS ARE AS UNDER:

a) List of related parties and relationship where control exists or with whom transactions were entered into :

| Sr. No. | Relationship | Name of the Related Party |
|---------|---|--|
| 1 | Key Management Personnel | Mr. Samir Kakadia (Managing Director) Mr. Jayesh Avaiya (Director) Mr. Prakash Shah (Director) |
| 2 | Enterprise over which Key Managerial Personnel has direct control | Patdiam Patdiam Jewels Zest Corporation |

b) Transaction during the year with related parties:

| Sr. No | Nature of Transaction | Key Management Personnel | | Enterprise over which Key Managerial Personnel has direct control | |
|--------|---|--------------------------|----------|---|--------------|
| | | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| | i) Payments to & provision for Directors' remuneration & Salary | 3,00,000 | 3,00,000 | - | - |
| | ii) Purchases of goods | - | - | 20,13,19,087 | 23,41,33,972 |
| | iii) Sales of goods | - | - | 2,45,84,874 | 36,91,209 |
| | iv) Purchase of assets | - | - | 6,64,618 | - |
| | i) Outstanding Payables as on 31 st March | - | 6,00,000 | - | - |
| | ii) Advance given against goods purchase as on 31 st March | - | - | 30,79,358 | 81,75,449 |

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

c) Disclosure in respect of transaction with related parties during the year

| Sr. No | Nature of Transaction | Key Management Personnel | Enterprise over which Key Managerial Personnel has direct control | | |
|--------|---|--------------------------|---|----------------------------|------------------|
| | | Samri Kakadia | Patdiam | Patdiam Jewels | Zest Corporation |
| i) | Payments to & provision for Directors' remunera | 3,00,000 (3,00,000) | - | - | - |
| ii) | Purchases of goods | - | 18,58,24,261 (23,40,74,918) | 1,54,94,826 (59,054) | - |
| iii) | Sales of goods | - | - | 2,45,84,874 (36,91,209) | - |
| iv) | Purchase of assets | - | - | - | 6,64,618 |
| | | | | | |
| i) | Outstanding Payables as on 31 st March | - (6,00,000) | - | - | - |
| ii) | Advance given against goods purchase as on 31 st March | - | 30,79,358 (81,75,449) | - | - |

28 The Profit and Loss Account includes payments and provisions on account of the Managing Director and Whole-time Director as under :

| Particulars | Managing Director | Other Director | Total 2020-21 | Total 2019-20 |
|------------------|-------------------|----------------|-----------------|-----------------|
| i) Salaries | 3,00,000 | - | 3,00,000 | 3,00,000 |
| ii) Perquisites | - | - | - | - |
| iii) Commission | - | - | - | - |
| vi) Sitting Fees | - | - | - | - |
| | 3,00,000 | - | 3,00,000 | 3,00,000 |

29 EARNING PER SHARE

| | As on 31.3.21 | As on 31.3.20 |
|--|---------------|---------------|
| Profit after Tax | 2,78,35,251 | 1,74,51,235 |
| No. of shares outstanding | 4317000 | 4317000 |
| Weighted Avg. No. of shares + potential shares o/s | 4317000 | 4317000 |
| Earning per share(Basic) | 6.45 | 4.04 |
| Earning per share(Diluted) | 6.45 | 4.04 |

30 VALUE OF IMPORTS ON C.I.F. BASIS :

| | As on 31.3.21 | As on 31.3.20 |
|-------------------|--------------------|---------------------|
| Raw Materials | 3,04,50,262 | 11,04,01,815 |
| Consumable Stores | - | 16,93,902 |
| Capital Goods | 25,81,320 | 12,22,288 |
| Expenditure | - | 60,09,340 |
| | 3,30,31,582 | 11,93,27,345 |

PATDIAM JEWELLERY LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****31 EARNINGS IN FOREIGN EXCHANGE:**

| | As on 31.3.21 | As on 31.3.20 |
|------------------------|---------------------|---------------|
| F.O.B.Value of Exports | 64,35,63,239 | 61,82,41,213 |
| | 64,35,63,239 | 61,82,41,213 |

32 FINANCIAL INSTRUMENTS / FORWARD CONTRACTS :Unhedged Foreign Currency exposure :

| Particulars | 31.03.2021 | | 31.03.2020 | |
|--|--------------|--------------|--------------|--------------|
| | US \$ | Amount (₹) | US \$ | Amount (₹) |
| Outstanding Receivables | \$ 41,60,515 | 30,41,75,248 | \$ 28,80,057 | 21,79,19,476 |
| Outstanding creditors for goods and spares | \$ 2,24,844 | 1,64,38,331 | \$ 2,42,350 | 1,83,37,412 |
| Packing credit in foreign currency with Bank | \$ - | - | \$ 6,03,386 | 4,56,55,203 |

33 REMUNERATION TO AUDITORS:

| | As on 31.3.21 | As on 31.3.20 |
|----------------|-----------------|---------------|
| As Auditors | 1,25,000 | 1,25,000 |
| Tax Audit Fees | 30,000 | 30,000 |
| Others | 45,000 | 45,000 |
| Total ₹ | 2,00,000 | 2,00,000 |

- 34** During 2006, company has acquired some equity interest (equal to 18%) in two USA based companies, namely American Value Chain Inc(AVC) and Gems Media LLC(GM) by the investing in the aggregate a sum of US \$ 2,00,000 (Equivalent Indian ₹ 92,55,666/-)(US \$ 190000 in AVC and US \$ 10000 in GM-Equal to ₹ 87,92,568/- in AVC and ₹ 4,63,098/- in GM). Subsequent to investment both companies run in to trouble and incurred huge loss. The aggregate loss as on April, 2008 was US \$ 47,45,220.67. However, company had a share holder agreement with other share holders of these companies where in it was protected from the loss and was given an exit option at a valuation of it is interest for US \$ 9,80,456.13, after 2009. Company has exercised its option and claimed that other share holders buy out its interest at an agreed consideration in terms of share holder's agreement. However, other share holders had initially sought an extension of time, Ever after expiry of extened period, they have used delaying tactics citing huge loss, financial crunch etc as reason. Pending action in terms of share holder's agreement, company continue to present its investment as such and has not considered any provision for diminution in value of its investments in terms of theoretical value of its equity interest.Also, it has other trade receivable of US \$ 1,76,741.72(Equivalent Indian ₹ 1,33,73,162/- as at year end) due from GM which it has continue to carry at book value. In the mean time company came to know that order share holders have put in more equity fund in the companies and raised their interest developments and after having exhausted all informal channels, finally in current financial year i.e.in F.Y.2015-16 company has lodged a suite in court of law in USA and claimed remedy and specific performance under share holder's agreement. It has made a plea before th court of law that its equity interest be brought out and it be paid compensation as per share holder's agreement. Management if the company has been advised by its USA Lawyers that, there is more than probable chance of it getting its claim. Considering this company has continued to show it investment at cost and other receivables from these companies at book value and has not make any provision for loss by way of diminution in value of investment or bad debts for book debts. However as it has now filed a suite and expressed its intention to transfer or sale its equity interest in those companies, same has been classified as current investments.

PATDIAM JEWELLERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021

35 COVID- 19 effects and assessment :

The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the company were impacted, due to shutdown of plants and offices following lockdown as per directives from the Government of India.

The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no major significant impact on its financial statements as at 31st March, 2021

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

36 The previous year's figures have been regrouped and rearranged wherever necessary to make in compliance with the current financial year.

For Pulindra Patel & Co.
Chartered Accountants
FRN No. 115187W

For and on behalf of the Board

Pulindra Patel
Proprietor
Membership No. 48991
Place : Mumbai
Date : 23rd June, 2021

Bharat Shah
Chief Financial Officer

Navita Choudhary
Company Secretary

Mr. Pravin Kakadia
Chairman & Director
(DIN 00178140)
Place : Mumbai
Date : 23rd June, 2021

Mr. Samir Kakadia
Managing Director
(DIN 00178128)

PATDIAM JEWELLERY LIMITED

CIN: L36911MH1999PLC120537

Regd. Office: Gala No 102, Bldg No. 1,

SEEPZ SEZ, Andheri (E) Mumbai (MH) – 400 096

Tel: +22-2829 3455/56; Fax: +22-2829 3459

E-mail ID: info@patdiam.com; Website: www.patdiam.com

ATTENDANCE SLIP

Registered Folio No./DP ID and Client ID:

Name & Address:

Number of Shares held:

I certify that I am a member /proxy /authorized representative for the member of the Company.

I hereby record my presence at the **22nd Annual General Meeting** of the Company being held on Thursday, **the 30th day of September, 2021 at 01.00 P.M.** at the Registered Office of the Company at Gala No. 102, Building No. 1, Seepz, SEZ, Andheri East, Mumbai – 400 096.

Further, please register/ update my/ our under mentioned E-mail ID for sending all future Company's correspondence:

E-mail ID: _____

Name & Signature of Shareholder/ Proxy/ Authorised Representative

Note: Please complete Attendance Slip and hand it over at the entrance of the meeting hall.

ADMISSION AT THE ANNUAL GENERAL MEETING VENUE WILL BE ALLOWED ONLY ON VERIFICATION OF THE MEMBERSHIP DETAILS AND SIGNATURES ON THE ATTENDANCE SLIP.

PATDIAM JEWELLERY LIMITED

CIN: L36911MH1999PLC120537

Regd. Office: Gala No 102, Bldg No. 1,
SEEPZ SEZ, Andheri (E) Mumbai (MH) – 400 096

Tel: +22-2829 3455/56; Fax: +22-2829 3459

E-mail ID: info@patdiam.com; Website: www.patdiam.com

PROXY FORM

[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./ DP ID/ Client ID:

I/We, being the member(s) of _____ shares Patdiam Jewellery Limited, hereby appoint

1. _____ r/o _____ having e-mail id _____, signature _____ or failing him
2. _____ r/o _____ having e-mail id _____, signature _____ or failing him
3. _____ r/o _____ having e-mail id _____, signature _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the company, to be held on the Thursday the 30th September, 2021 at 01.00 P.M. at Gala No. 102, Building No. 1, Seepz, SEZ, Andheri East, Mumbai – 400 096 and at any adjournment thereof in respect of such resolutions as are indicated below:

| S.No. | Ordinary Business |
|-------|---|
| 1. | Adoption of Financial Statements |
| 2. | Re-appointment of Pravin Kakadia (DIN: 00178140), Director who retires by rotation |
| 3. | Appointment of M/s. Dave & Dave, Chartered Accountants, as Statutory Auditor of the Company |
| | Special Business: |
| 4. | Approval for entering into Related Party Transactions by the Company. |
| 5. | Re-appointment of Mr. Samir Kakadia as the Managing Director of the Company |
| 6. | Authorisation under Section 185 of the Companies Act, 2013 |
| 7. | Authorisation under Section 186 of the Companies Act, 2013 |

Signed this _____ day of _____ 2021

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

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.

Route Map of the venue of the 22nd Annual General Meeting of Patdiam Jewellery Limited to be held on Thursday, 30th September, 2021 at 1.00 P.M.

Venue Address: Gala No 102, Bldg No. 1, SEEPZ SEZ, Andheri (E) Mumbai (MH) – 400 096

Landmark: SEEPZ

