



SAGAR DIAMONDS LTD.

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Registered Office :

Plot No. 266 B, Sez Diamond
Park, Sachin, Surat (Guj.)
PIN - 394230

GSTIN : 24AAWCS0068B1ZE
L36912GJ2015PLC083846

Corporate Office :

Embassy Centre Building,
Off. No. 901, 9th Fl., Next to Status Hotel,
Nariman Point, Mumbai 400021
T: +91 22 3563 3509 / 4976 4730

Date: 07.11.2023

To,
BSE Limited
Corporate Service Department
P.J.Towers,
Dalal Street,
Mumbai- 400 001

Sub: Outcome of Board Meeting
Scrip Code- 540715

Dear Sir,

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held on i.e. 08th September, 2023 have approved and taken on record the following items:

1. Audited Financial Results:

- Financial Results for the yearly ended 31st March, 2023.

Kindly take the same in your record.

Thanking You,

Yours Faithfully,

For Sagar Diamonds Limited

For SAGAR DIAMONDS LIMITED


DIRECTOR

Vaibhav Dipak Shah
Managing Director



INDEPENDENT AUDITOR'S REPORT

To the Members of
SAGAR DIAMONDS LIMITED

Report on the audit of the Financial Statements

We have audited the accompanying financial statements of **SAGAR DIAMONDS LIMITED** (the "Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to note 25 of the Statement, regarding the Management's contention about the recoverability of the Trade Receivables mentioned therein. We have not been able to substantiate the Management's contention regarding the carrying value of Trade Receivables aggregating to INR 7,56,123.47 lakh. Accordingly, we are unable to comment on the appropriateness of the carrying value of such Trade Receivables and their consequential impact on the financial results and the financial position of the Company as at and for the year ended March 31, 2023.

We also draw attention to show cause notice received by the Company from the Development Commissioner, Surat Special Economic Zone, Sachin regarding non-compliance with regard to overdue outstanding receivables, accordingly we are unable to comment on their consequential impact on the financial position of the Company as at and for the year ended March 31, 2023.

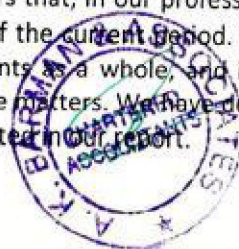
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We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

Emphasis of Matter

We draw attention to Note 26 of the Statement which describes the Management's evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.





Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Existence of closing inventory and its valuation</p> <p>The company has recognized inventory of INR 31,525.22 Lakh at March 31, 2023. Inventories are held by company. We focused on this matter because of:</p> <ol style="list-style-type: none">Significance of the inventory balance.Complexity involved in determining valuation.	<p>Our audit procedure for this area included:</p> <ul style="list-style-type: none">- Testing the company's control by checking approvals over cost, selling price and inventory accounting.- Testing of valuation of inventory as per accounting standard.- We attended inventory physical count on the reporting date. We have carried out following procedure:<ol style="list-style-type: none">Inventory sample selected and compared the quantities with book records. Difference on physical count, if any, have been verified that the same has been accounted.Made inquiries regarding damage, non-moving and obsolete inventory items. <p>No significant exception noted on these process.</p>
2	<p>Receivables, Payables and Advances</p> <p>Yearend outstanding advances given and trade receivables carry certain risk in general which include overdue balance, entity in weaker economic / geopolitical environment, entity's ability to pay. Advances taken and trade payable carry risk in general which include proceeds from trade receivables and advance given, to pay outstanding balances. Procedure to mitigate such risks includes element of management judgment and important to assess recoverability of advance given and trade receivable. Due to these factors we have identified testing of recoverability of trade receivables, advances and trade payable as key audit matter.</p>	<p>Our audit procedure for these areas included:</p> <p>We obtained an understanding, evaluated the design and tested operating effectiveness of controls related to customer acceptance process and the assessment of recoverability of Receivables and advances given.</p> <ul style="list-style-type: none">- Analyzed aging at yearend.- In respect to material trade receivables, payable and advance balance outstanding at March 31, 2023, we have rolled out for third party balance confirmation of which few have been received up to date of signing of financials by board of directors and for other subsequent clearance of balances has been verified on sample basis.- In respect of material balances, inspected relevant documents and correspondence with parties, wherever available.- In respect of material trade receivables, payables and advances which are past due, additional procedures we performed to evaluate the historical payment trends and assessed management's assessment and impact considered by management. <p>We draw attention to note 25 of the Statement for overdue receivables and resultant overdue trade payables and advances.</p>





Information other than the financial statements and auditors' report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. We are required to communicate the matters to those charged with governance as required under SA 720 'The auditors' responsibilities relating to other information'.

When we read the annual report, if we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibility of Management and Board of Director for the Financial Statements

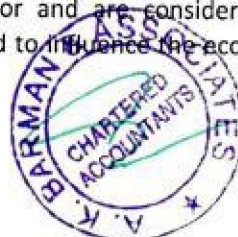
The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and 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 give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of Directors.
- Conclude on the appropriateness of management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

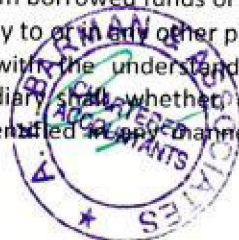
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation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





Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act and rules thereunder, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 litigation which would have impact on its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. The company is not required to transfer any amount to investor Education & Protection Fund.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the





A.K. BARMAN & ASSOCIATES

CHARTERED ACCOUNTANTS

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Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

For AK Barman & Associates,
Chartered Accountants
ICAI Firm Reg. No. : 316190E



CA BARMAN ANJAN KUMAR
PROPRIETOR
Membership No. : 052949
UDIN: 23052949BGWXZY9295

Place: Kolkata

Date: September 08, 2023

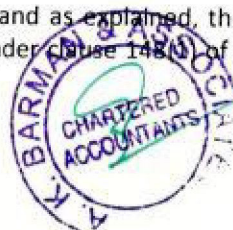


"Annexure A"

Annexure referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date.

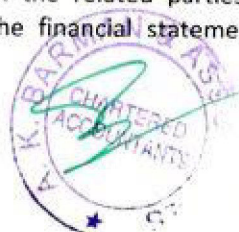
To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant and Equipment:
 - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
B. The Company does not have intangible assets during the year and hence, reporting under Clause 3(i)(a)(B) is not applicable.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment due for verification during the year were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title in respect of buildings and title deeds of all other immovable properties, disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The company has not revalued its Property, Plant and Equipment.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31,2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)
 - (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
 - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets.
- (iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnerships or any other parties covered in the register maintained under section 189 of the Act. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 143(1) of the Companies Act, 2013, for the operations of the Company.





- (vii) In respect of statutory dues:
- (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961).
- (ix) (a) The Company is regular in repayment of loans or other borrowings or in payment of interest thereon to lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or government authority.
- (c) The Company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) According to the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have subsidiaries, associates or joint ventures during the year. Hence, reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion, the Company is in compliance with Section 177 and Section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.





- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company.
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of previous statutory auditors of the Company during the year without raising issues, objections or concern by outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the board of directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.





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- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) There are no unspent amounts in respect of ongoing project, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For AK Barman & Associates,

Chartered Accountants

ICAI Firm Reg. No. : 316190E



CA BARMAN ANJAN KUMAR
PROPRIETOR

Membership No. : 052949

UDIN: 23052949BGWXZY9295

Place: Kolkata

Date: September 08, 2023



"Annexure B"

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 **SAGAR DIAMONDS LIMITED** (the "Company") as of March 31, 2023 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 and board of directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are





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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, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For AK Barman & Associates,
Chartered Accountants
ICAI Firm Reg. No. : 316190E



CA BARMAN ANJAN KUMAR
PROPRIETOR

Membership No. : 052949
UDIN: 23052949BGWXZY9295

Place: Kolkata

Date: September 08, 2023



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Park, Sachin, Surat (Guj.)
PIN - 394230

**GSTIN : 24AAWCS0068B1ZE
L36912GJ2015PLC083846**

Corporate Office :

Embassy Centre Building,
Off. No. 903, 9th Flr., Next to Status Hotel,
Nariman Point, Mumbai 400021
T: +91 22 3563 3509 / 4976 4730

Balance sheet as at March 31, 2023

	Notes	INR March 31, 2023	INR March 31, 2022
Equity and liabilities			
Shareholders' funds			
Share capital	3	12,64,37,800	12,64,37,800
Reserves and Surplus	4	97,43,61,691	77,36,99,809
		<u>1,10,07,99,491</u>	<u>90,01,37,609</u>
Non-current liabilities			
Long-term borrowings	5	54,49,539	84,48,903
Long-term provisions	6	9,28,808	6,19,205
Deffered Tax Liability (net)		14,48,508	-
		<u>78,26,855</u>	<u>90,68,108</u>
Current Liabilities			
Short-term borrowings	7	20,00,541	1,54,94,348
Trade payables	8	52,51,22,77,584	21,33,33,49,765
Other current liabilities	9	84,76,95,45,987	60,91,49,95,596
Short-term provisions	6	-	30,526
		<u>1,37,28,38,24,112</u>	<u>82,26,38,70,235</u>
TOTAL		<u>1,38,39,24,50,458</u>	<u>83,17,30,75,952</u>
Assets			
Non-current assets			
Property, Plant and Equipment:			
Tangible Assets	10	15,33,40,130	7,69,63,674
Intangible Assets	10	-	-
		<u>15,33,40,130</u>	<u>7,69,63,674</u>
Deffered Tax Assets (net)		-	2,31,802
Long-term loans and advances	11	26,21,550	26,21,550
		<u>15,59,61,680</u>	<u>7,98,17,026</u>
Current assets			
Inventories	12	3,15,25,20,585	6,81,55,26,087
Trade receivables	13	1,06,23,18,85,385	75,78,09,79,018
Cash and bank balances	14	17,07,91,014	13,20,93,420
Short-term loans and advances	11	28,68,12,91,794	36,46,60,401
		<u>1,38,23,64,88,779</u>	<u>83,09,32,58,925</u>
Total		<u>1,38,39,24,50,459</u>	<u>83,17,30,75,952</u>

Summary of significant accounting policies

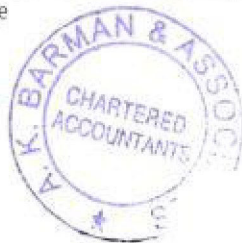
2.1
& 3-31

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

As per our report of even date
AK Barman & Associates
CHARTERED ACCOUNTANTS
FRN: 316190E

CA ANJAN KUMAR BARMAN
(Proprietor)
Membership no.: 052949

Date: September 08, 2023



For and on behalf of the board of directors of
0

Vibhav Dipak Shah
Managing Director
DIN: 03302936

Place : Surat
Date: September 08, 2023

Samir Gaonkar
(Director)
DIN: 03100710



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

	Notes	INR 2022-23	INR 2021-22
Income			
Revenue from operations (net)	15	54,74,98,87,676	62,57,43,47,067
Other Income	16	1,23,07,72,129	2,33,01,51,301
Total revenue (I)		55,98,06,59,805	64,90,44,98,368
Expenses			
Purchase of goods and services	17	39,06,96,48,381	44,81,75,56,686
Purchase of goods and services (Increase)/ decrease in inventories of finished goods, work-in-progress	18	16,50,62,30,903	19,86,34,11,677
Employee benefits expense	19	(1,71,13,805)	(21,49,82,692)
Other expenses	20	3,74,52,227	2,16,67,956
Total (II)		8,98,54,211	5,09,16,888
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) – (II)		55,68,60,71,917	64,53,85,70,515
		29,45,87,888	36,59,27,853
Depreciation and amortization expense	10	1,11,20,371	70,64,232
Finance costs	21	2,30,72,008	87,15,607
Profit before tax		26,03,95,509	35,01,48,014
Tax expenses			
Current tax		5,80,53,316	6,23,77,861
Deferred tax		16,80,310	(29,99,019)
Total tax expenses		5,97,33,626	5,93,78,842
Profit for the year		20,06,61,883	29,07,69,172
Earnings per equity share [nominal value of share INR 10 (31 March 2022: INR 10)]			
Basic and diluted	22		
Computed on the basis of total profit for the year		15.87	23.00
Summary of significant accounting policies	2.1 & 3-31		

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

As per our report of even date

AK Barman & Associates

CHARTERED ACCOUNTANTS

FRN: 316190E

CA ANJAN KUMAR BARMAN
(Proprietor)
Membership no.: 052949

Date: September 08, 2023



For and on behalf of the board of directors of

0

Vaibhav Dipak Shah
Managing Director
DIN: 03302936

Place : Surat

Date: September 08, 2023

Samir Gaonkar
[Director]
DIN: 03100710

Notes to financial statements for the year ended March 31, 2023

	March 31, 2023	March 31, 2022
	INR	INR
3 Share capital		
Authorized share capital		
10,00,000 (31 March, 2022 4,50,000) equity shares of INR 10/- each		
Issued, subscribed and fully paid-up share capital		
9,80,000 (31 March, 2022: 4,50,000) equity shares of INR 10/- each	12,64,37,800	12,64,37,800
Total issued, subscribed and fully paid-up share capital	12,64,37,800	12,64,37,800
4 Reserves and surplus		
	March 31, 2023	March 31, 2022
	INR	INR
Security Premium	11,83,35,000	11,83,35,000
Surplus in the statement of profit and loss		
Balance as per last financial statements	65,53,64,809	36,45,95,636
Profit for the year	20,06,61,883	29,07,69,172
Total reserves and surplus	97,43,61,691	77,36,99,809
5 Long-term borrowings		
(partner)		
	Non-current portion	Current maturities
	March 31, 2023	March 31, 2022
	INR	INR
Term loans		
Inter Corporate Deposit	11,77,499	19,82,400
Against hypothecation of vehicle	42,72,040	64,66,503
	54,49,539	84,48,903
The above amount includes		
Secured borrowings	42,72,040	64,66,503
Unsecured borrowings	11,77,499	19,82,400
Amount disclosed under the head "other current liabilities" (note 9)	-	(20,00,541)
Net amount	54,49,539	84,48,903
Vehicle Loan obligations are secured by hypothecation of vehicles taken on lease. The loans are repayable in 60 monthly installments along with interest of 9.95 % p.a. from the date of loan.		
6 Provisions		
	Long-term	Short-term
	March 31, 2023	March 31, 2022
	INR	INR
Provision for gratuity	9,28,808	6,19,205
Provision of income tax (net of advance tax)	-	30,526
	9,28,808	30,526
7 Short-term borrowings		
	March 31, 2023	March 31, 2022
	INR	INR
Current maturities of long-term borrowings (note 5)	20,00,541	61,87,074
Bank overdraft	-	93,07,273
Other loans	20,00,541	1,54,94,348
The above amount includes		
Secured borrowings	20,00,541	1,54,94,348
8 Trade payables		
	March 31, 2023	March 31, 2022
	INR	INR
Trade payables (note 27)	52,51,22,77,584	21,33,33,49,765
	52,51,22,77,584	21,33,33,49,765



9 Other current liabilities	March 31, 2023		March 31, 2022	
	INR		INR	
Statutory liabilities		52,87,226		1,61,94,429
Advance received from customers		84,76,42,58,760		60,89,88,01,167
		<u>84,76,95,45,987</u>		<u>60,91,49,95,596</u>
11 Loans and advances	Long -term		Short -term	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	INR	INR	INR	INR
Security deposit				
Unsecured, considered good	26,21,550	26,21,550	-	-
(A)	26,21,550	26,21,550	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	2,92,43,013	10,47,11,937
(B)	-	-	2,92,43,013	10,47,11,937
Other loans and advances				
Prepaid expenses	-	-	2,13,767	1,28,678
Loans to employees	-	-	2,97,000	2,96,000
Advance given to suppliers	-	-	28,63,51,52,763	22,52,82,244
Balances with government authorities	-	-	1,63,85,251	3,42,41,542
(C)	-	-	28,65,20,48,781	25,99,48,464
Total (A+ B + C)	26,21,550	26,21,550	28,68,12,91,794	36,46,60,401
12 Inventories			March 31, 2023	March 31, 2022
			INR	INR
Materials			2,92,04,24,089	6,43,42,44,399
Work-in-process			11,62,97,181	10,78,82,077
Finished Goods			11,57,99,316	10,71,00,615
Stock-in-trade			-	16,62,98,996
			<u>3,15,25,20,585</u>	<u>6,81,55,26,087</u>
13 Trade receivables			March 31, 2023	March 31, 2022
			INR	INR
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good				
Doubtful				
(A)				
Other receivables				
Unsecured, considered good			1,06,23,18,85,385	75,78,09,79,018
(B)			1,06,23,18,85,385	75,78,09,79,018
Total (A + B)			<u>1,06,23,18,85,385</u>	<u>75,78,09,79,018</u>
14 Cash and bank balances			Current	
			March 31, 2023	March 31, 2022
			INR	INR
Cash and cash equivalents				
Balances with banks:				
On current accounts			8,57,25,049	12,02,54,580
On deposit accounts			8,47,87,715	1,14,25,194
Cash on hand			2,78,251	4,13,646
			<u>17,07,91,014</u>	<u>13,20,93,420</u>



15 Revenue from operations	2022-23	2021-22
	INR	INR
Revenue from operations		
Sale of products	54,74,98,87,676	62,57,43,47,067
Revenue from operations (net)	54,74,98,87,676	62,57,43,47,067
16 Other income	2022-23	2021-22
	INR	INR
Interest income:		
Bank deposits	26,00,276	3,37,534
Others	8,94,334	38,79,159
Foreign exchange rate difference	1,22,72,77,519	2,32,59,34,608
	1,23,07,72,129	2,33,01,51,301
17 Purchase of goods	2022-23	2021-22
	INR	INR
Purchase	39,06,96,48,381	44,81,75,56,686
Total	39,06,96,48,381	44,81,75,56,686
Purchase of goods		
Purchase	16,50,62,30,903	19,86,34,11,677
Total	16,50,62,30,903	19,86,34,11,677
18 (Increase)/ decrease in inventories of finished goods, work-in-progress	2022-23	2021-22
	INR	INR
Inventories at the end of the year		
Work-in-process	11,62,97,181	10,78,82,077
Finished Goods	11,57,99,316	10,71,00,615
	23,20,96,497	21,49,82,692
Inventories at the beginning of the year		
Work-in-process	10,78,82,077	-
Finished Goods	10,71,00,615	-
	21,49,82,692	-
	(1,71,13,805)	(21,49,82,692)
19 Employee benefits expense	2022-23	2021-22
	INR	INR
Salaries, wages and bonus	3,55,08,705	2,01,94,738
Contribution to fund	4,75,369	28,961
Gratuity expenses	3,09,603	6,19,205
Staff welfare expenses	11,58,550	8,25,052
	3,74,52,227	2,16,67,956
20 Other expenses	2022-23	2021-22
	INR	INR
Power expenses	6,70,326	5,20,376
Rent Expenses	71,14,735	28,20,507
Freight & forwarding expenses	56,15,455	1,16,75,960
Travelling & Conveyance	53,47,137	27,25,655
Legal & Professional expenses	4,34,21,988	98,63,931
Repairs and maintenance	50,54,601	41,76,233
Insurance	12,75,368	7,72,332
Selling & Promotion Expenses	28,36,780	12,22,300
Payment to auditor (Refer details below)	12,00,000	12,00,000
CSR Expense	40,00,000	27,50,000
Miscellaneous expenses	1,33,17,821	1,31,89,595
	8,98,54,211	5,09,16,888



Notes to financial statements for the year ended March 31, 2023

	2022-23	2021-22
	INR	INR
Payment to auditor		
As auditor:		
Audit fee	12,00,000	12,00,000
	<u>12,00,000</u>	<u>12,00,000</u>
21 Finance costs		
Interest cost:		
On Term Loan	6,60,072	13,72,819
On Others	-	10,28,466
Bank charges	2,24,11,936	63,14,321
	<u>2,30,72,008</u>	<u>87,15,607</u>
22 Earnings per share (EPS)		
The following reflects the profit and share data used in the basic EPS computations:		
	2022-23	2021-22
	INR	INR
Net profit for calculation of basic and diluted EPS	20,06,61,883	29,07,69,172
Weighted average number of equity shares in calculating basic EPS	1,26,43,780	1,26,43,780
Basic and diluted EPS in INR	15.87	23.00





SAGAR DIAMONDS LTD.TM

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SAGAR DIAMONDS LIMITED

Balance sheet as at March 31, 2023

		(INR in Lakh)	
		As at	As at
		March 31, 2023	March 31, 2022
	Notes		
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,264.38	1,264.38
Reserves and Surplus	4	9,743.58	7,736.99
		<u>11,007.96</u>	<u>9,001.37</u>
Non-current liabilities			
Long-term borrowings	5	54.49	84.49
Long-term provisions	6	9.29	6.19
Deffered Tax Liability (net)	7	14.49	-
		<u>78.27</u>	<u>90.68</u>
Current Liabilities			
Short-term borrowings	8	20.01	154.94
Trade payables	9	5,25,122.78	2,13,333.50
Other current liabilities	10	8,47,695.47	6,09,149.96
Short-term provisions	6	-	0.31
		<u>13,72,838.26</u>	<u>8,22,638.71</u>
	TOTAL	<u>13,83,924.49</u>	<u>8,31,730.76</u>
Assets			
Non-current assets			
Property, Plant and Equipment	11	1,533.39	769.64
Work-in-progress	11	-	-
		<u>1,533.39</u>	<u>769.64</u>
Deffered Tax Assets (net)	7	-	2.32
Long-term loans and advances	12	26.22	26.22
		<u>1,559.61</u>	<u>798.18</u>
Current assets			
Inventories	13	31,525.22	68,155.26
Trade receivables	14	10,62,318.85	7,57,809.79
Cash and bank balances	15	1,707.90	1,320.93
Short-term loans and advances	12	2,86,812.91	3,646.60
		<u>13,82,364.88</u>	<u>8,30,932.58</u>
	TOTAL	<u>13,83,924.49</u>	<u>8,31,730.76</u>
Summary of significant accounting policies	2.1 & 3-37		

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

As per our report of even date

AK Barman & Associates
CHARTERED ACCOUNTANTS
FRN: 316190E

(Proprietor)

CA ANJAN KUMAR BARMAN
(Proprietor)
Membership no.: 052949

Date: September 08, 2023

For and on behalf of the board of directors of
SAGAR DIAMONDS LIMITED




Vaibhav Dipak Shah
Managing Director
DIN: 03302936


Samir Gaonkar
[Director]
DIN: 03100710

Place : Surat
Date: September 08, 2023



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

		(INR in Lakh)	
	Notes	For the year 2022-23	For the year 2021-22
Income			
Revenue from operations (net)	16	5,47,498.88	6,25,743.47
Other Income	17	12,307.71	23,301.51
Total		5,59,806.59	6,49,044.98
Expenses			
Cost of Materials Consumed	18	3,90,696.48	4,48,175.57
Purchase of goods traded	19	1,65,062.31	1,98,634.12
(Increase)/ decrease in inventories of finished goods, work-in-progress	20	(171.13)	(2,149.83)
Employee benefits expense	21	374.53	216.68
Other expenses	22	898.54	509.17
Total		5,56,860.73	6,45,385.71
Earnings before interest, tax, depreciation and amortization (EBITDA)		2,945.86	3,659.27
Depreciation expense	11	111.21	70.64
Finance costs	23	230.73	87.16
Profit before tax		2,603.92	3,501.47
Tax expenses			
Current tax		580.53	623.78
Deferred tax		16.80	(29.99)
Total tax expenses		597.34	593.79
Profit for the year		2,006.58	2,907.68
Earnings per equity share [nominal value of share INR 10 (31 March 2022: INR 10)]			
Basic and diluted	24		
Computed on the basis of total profit for the year		15.87	23.00
Summary of significant accounting policies	2.1 & 3-37		

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

As per our report of even date

AK Barman & Associates

CHARTERED ACCOUNTANTS

FRN: 316190E

CA ANJAN KUMAR BARMAN
Proprietor
(Proprietor)



Vaibhav Dipak Shah
Managing Director
DIN: 03302936

Samir Gaonkar
[Director]
DIN: 03100710

Date: September 08, 2023

Place : Surat
Date: September 08, 2023

Cash flow Statement for the year ended March 31, 2023

	(INR in Lakh)	
	For the year 2022-23	For the year 2021-22
Cash flows from operating activities:		
Net profit before taxation and extraordinary items	2,603.92	3,501.47
Add/(Less) Adjustments for:		
Depreciation	111.20	70.64
Interest on Bank Deposits	(34.95)	(42.17)
Finance Costs	230.72	87.16
Discount / ERF on Export Bill	-	-
Operating profit before working capital changes	2,910.89	3,617.10
Movements in working capital :		
Increase/ (Decrease) in Long Term Provisions	3.10	6.19
Increase/ (Decrease) in trade payables	3,11,789.28	1,01,988.54
Increase/ (Decrease) in other current liabilities	2,38,545.50	1,82,383.35
[Increase]/ Decrease in Long Term Advances	-	(4.99)
[Increase]/ Decrease in Trade Receivable	(3,04,509.06)	(3,79,166.37)
[Increase]/ Decrease in Inventories	36,630.06	(37,669.65)
[Increase]/ Decrease in Other current assets	(2,83,166.31)	1,30,835.24
Net cash from operating activities before income tax	2,203.46	1,989.41
Direct taxes paid (Net of refunds)	580.83	615.63
Net cash flow from/ (used in) operating activities (A)	1,622.63	1,373.78
Cash flows from investing activities:		
Purchase of Fixed assets including work-in-progress	(874.96)	(390.47)
Interest on Bank Deposits	34.95	42.17
Sale / [Purchase] of investment	-	-
Net cash flow from/(used in) investing activities (B)	(840.01)	(348.30)
Cash flows from financing activities:		
Proceeds from borrowings	(134.94)	-
Repayment of borrowings	(29.99)	(355.30)
Interest paid	(230.72)	(87.16)
Net cash flow from/(used in) in financing activities (C)	(395.65)	(442.46)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	386.97	583.01
Cash and cash equivalents at the beginning of the year	1,320.93	737.92
Cash and cash equivalents at the end of the year (refer note 15)	1,707.90	1,320.93

Summary of significant accounting policies

2.1

& 3-37

The above Cash Flow Statement has been prepared under Indirect Method set out in Accounting Standard 3 of accounting standard issued by the ICAI.

As per our report of even date

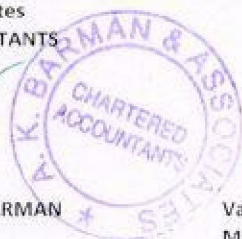
AK Barman & Associates

CHARTERED ACCOUNTANTS

FRN: 316190E

(Partner)

CA ANJAN KUMAR BARMAN
(Proprietor)
Membership no.: 052949



Vaibhav Dipak Shah
Managing Director
DIN: 03302936

For and on behalf of the board of directors of

Samir Gaonkar
(Director)
DIN: 03100710

Date: September 08, 2023

Place : Surat
Date: September 08, 2023

Notes to financial statements for the year ended March 31, 2023

Actuarial gains and losses are recognized immediately in the profit and loss account.

Gains or losses on the curtailment or settlement of any defined benefits plans are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense on a straight-line basis over the average period until the benefits become vested.

iii. Long term employee benefits :

The obligation for long term employee benefits such as long term compensated absences, is recognized in the same manner as in case of defined benefit plans as mentioned in d) ii) above.

e. Inventories

Inventories are valued as under :

i. Products:

Valued at lower of cost or net realisable value and for this purpose cost is determined on weighted average basis. Due provision for obsolescence is made.

ii. Work-in-progress:

At cost or net realisable value, whichever, is lower. Cost is determined using standard cost method which approximates historical cost.

f. Revenue recognition

i. Revenue is recognized when it is earned and reasonable certainty exist as to its realization or collection.

ii. Revenue from sales of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks & rewards of ownership are transferred to the customers and no effective ownership is retained.

iii. Sales are net of trade discounts and GST.

g. Foreign currency transactions and balances

i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

ii. Monetary items denominated in foreign currency at the year end are translated at the exchange rates prevailing at the balance sheet date.

iii. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit & Loss Account.

iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



Notes to financial statements for the year ended March 31, 2023

1 Corporate information

Sagar Diamonds Limited (the 'Company') was incorporated on 15 July, 2015. The Company is engaged in the business of Rough & Polished Diamonds, sale, export and trading of diamond studded jewellery and gold & silver items. The Company's shares are listed on the Bombay Stock Exchange (BSE)/ SME platform.

2 Basis of preparation

- [a] The financial statements of Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified Under Section 133 of Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.
- [b] Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles. In applying the accounting policies considerations have been given to prudence, substance over form and materiality.

2.1 Summary of significant accounting policies

a. Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition and installation, net of credits / GST availed, if any, less accumulated depreciation.

c. Depreciation on Property, Plant and Equipment

Depreciation is provided based on useful life of the Property, Plant and Equipment as prescribed in schedule II to the Companies Act, 2013 on Straight line Method (SLM) method.

d. Employee Benefits:

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc, and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

Post-Employment Benefits :

i. Defined Contribution Plans :

State Governed Provident Fund scheme and employees state insurance scheme are defined contribution plans. The contribution paid / payable under the scheme is recognized during the period in which the employees renders the related services.

ii. Defined Benefit Plans:

The employee's gratuity fund scheme and compensated absences is company's defined benefit plans. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefits entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Notes to financial statements for the year ended March 31, 2023

i. Income taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to the consideration of prudence, on timing difference being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is carry forward losses deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance Sheet date to reassess realization. Deferred tax assets on unabsorbed Depreciation/Loss are not recognized to the extent there is reasonable uncertainty of realization in future.

j. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the company has present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

Contingent Liabilities are disclosed by way of notes of accounts.

Contingent Assets are neither recognised nor disclosed in the financial statements.

k. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

l. Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

m. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

n. Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the standalone financial statements:

- Additional disclosure for shareholding of promoters.
- Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- Additional disclosures relating to undisclosed income.



(INR in Lakh)

	As at March 31, 2023	As at March 31, 2022
3 Share capital		
Authorized share capital		
1,35,00,000 (at March 31, 2022: 1,35,00,000) equity shares of INR 10/- each	1,350.00	1,350.00
Issued, subscribed and fully paid-up share capital		
1,26,43,780 (at March 31, 2022: 1,26,43,780) equity shares of INR 10/- each	1,264.38	1,264.38
Total issued, subscribed and fully paid-up share capital	1,264.38	1,264.38

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity shares

	March 31, 2023		March 31, 2022	
	Number	Amount	Number	Amount
At the beginning of the period	1,26,43,780	1,264.38	1,26,43,780	1,264.38
Add / Less during the period	-	-	-	-
Outstanding at the end of the period	1,26,43,780	1,264.38	1,26,43,780	1,264.38

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	March 31, 2023		March 31, 2022	
	Number	% holding in the class	Number	% holding in the class
Equity shares of INR 10 each fully paid				
Vaibhav Dipak Shah	62,27,860	49.26	62,27,860	49.26
SG Diamonds LLP	30,01,260	23.74	30,01,260	23.74

d. Details of shareholding of Promoters in the company as at March 31, 2023

Sr. No.	Promoters / Promoter Group Name	Class of Shares	Number of shares held	% of total shares	% change during the year
1	Vaibhav Dipak Shah	Equity Shares	62,27,860	49.26	-
2	SG Diamonds LLP	Equity Shares	30,01,260	23.74	-

Details of shareholding of Promoters in the company as at March 31, 2023

Sr. No.	Promoters / Promoter Group Name	Class of Shares	Number of shares held	% of total shares	% change during the year
1	Vaibhav Dipak Shah	Equity Shares	62,27,860	49.26	-
2	SG Diamonds LLP	Equity Shares	30,01,260	23.74	-

4 Reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Security Premium	1,183.35	1,183.35
Surplus in the statement of profit and loss		
Balance as per last financial statements	6,553.65	3,645.96
Profit for the year	2,006.58	2,907.68
Total reserves and surplus	9,743.58	7,736.99



5 Long-term borrowings

	Non-current portion		Current maturities	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Term loans				
Inter Corporate Deposit	11.77	19.81	-	-
Against hypothecation of vehicle	42.72	64.68	20.01	61.87
	54.49	84.49	20.01	61.87
The above amount includes				
Secured borrowings	42.72	64.68	20.01	61.87
Unsecured borrowings	11.77	19.81	-	-
Amount disclosed under the head "short term borrowings" (note 8)	-	-	(20.01)	(61.87)
Net amount	54.49	84.49	-	-

a. Vehicle Loans obligations are secured by hypothecation of vehicles taken on lease. The loans are repayable in 60 monthly installments along with interest of 7.40 % p.a. from the date of loan.

b. Term loans were applied for the purpose for which the loans were obtained.

c. The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

d. The Company do not have any changes or satisfaction which is yet to be registered with ROC beyond the statutory period.

6 Provisions

	Long-term		Short-term	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for gratuity	9.29	6.19	-	-
Provision of income tax (net of advance tax)	-	-	-	0.31
	9.29	6.19	-	0.31

7 Deferred Tax Liability / (Assets)

	As at	As at
	March 31, 2023	March 31, 2022
	Deferred Tax Liability / (Assets)	14.49
	14.49	(2.32)

8 Short-term borrowings

	As at	As at
	March 31, 2023	March 31, 2022
	Current maturities of long-term borrowings (note 5)	20.01
Bank overdraft	-	93.07
	20.01	154.94
The above amount includes		
Secured borrowings	20.01	154.94
Bank overdraft is secured against fixed deposit & carries interest @ 7.1 % p. a.		

9 Trade payables

	As at	As at
	March 31, 2023	March 31, 2022
	Total outstanding dues of Micro Enterprises & Small Enterprises (refer note no 30)	-
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	5,25,122.78	2,13,333.50
	5,25,122.78	2,13,333.50

Particulars	Outstanding for following periods from due date of payment as at March 31, 2023						Total
	NOT DUE	< 1 year	1-2 years	2-3 years	> 3 years		
MSME	-	-	-	-	-	-	-
Others	-	3,15,753.82	1,83,510.90	1,052.59	24,805.47	-	5,25,122.78
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	-	3,15,753.82	1,83,510.90	1,052.59	24,805.47	-	5,25,122.78



Particulars	Outstanding for following periods from due date of payment as at March 31, 2022					Total
	NOT DUE	< 1 year	1-2 years	2-3 years	> 3 years	
MSME	-	-	-	-	-	-
Others	-	1,72,816.47	1,403.45	33,073.96	6,039.62	2,13,333.50
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
TOTAL	-	1,72,816.47	1,403.45	33,073.96	6,039.62	2,13,333.50

10 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	52.88	161.94
Advance received from customers	8,47,642.59	6,08,988.02
	8,47,695.47	6,09,149.96

11 Property, Plant and Equipment:

Particulars	Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
Gross Block							
As at March 31, 2022	25.09	159.65	81.68	95.85	521.53	17.57	901.37
Additions	-	548.88	19.41	17.06	284.11	5.50	874.96
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2023	25.09	708.53	101.09	112.91	805.64	23.07	1,776.33
Depreciation							
As at March 31, 2022	-	9.94	36.46	10.69	65.65	8.99	131.73
Charge for the year	-	14.04	18.46	10.73	62.01	5.97	111.21
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
As at March 31, 2023	-	23.98	54.92	21.42	127.66	14.96	242.94
Impairment Loss							
As at March 31, 2022	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-	-	-
Net Block:							
As at March 31, 2023	25.09	684.55	46.17	91.49	677.98	8.11	1,533.39
As at March 31, 2022	25.09	149.71	45.22	85.16	455.88	8.58	769.64

a. Vehicles include vehicles amounting to INR 805.64 Lakh (P.Y. INR 521.53 Lakh) which are held in the name of Director of the Company.

b. All immovable properties are held in the name of the Company.

c. All CWIP during the year has capitalised in respective head of asset and CWIP balance at March 31, 2023 is Rs. Nil.

d. All above projects/Plant & Machinery are within expected cost and timeline.

12 Loans and advances

	Long-term		Short-term	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposit				
Unsecured, considered good	26.22	26.22	-	-
(A)	26.22	26.22	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	292.43	1,047.12
(B)	-	-	292.43	1,047.12
Other loans and advances				
Prepaid expenses	-	-	2.13	1.28
Loans to employees	-	-	2.97	2.96
Advance given to suppliers	-	-	2,86,351.53	2,252.82
Balances with government authorities	-	-	163.85	342.42
(C)	-	-	2,86,520.48	2,599.48
Total (A + B + C)	26.22	26.22	2,86,812.91	3,646.60

:9:



There are no loans or advances in the nature of loans or advance granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

- repayable on demand; or
- without specifying any terms or period of repayment.

13 Inventories

	As at March 31, 2023	As at March 31, 2022
Raw materials	29,204.26	64,342.44
Work-in-process	1,162.97	1,078.82
Finished Goods	1,157.99	1,071.01
Stock-in-trade	-	1,662.99
	31,525.22	68,155.26

14 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	10,22,260.48	5,12,871.33
Doubtful	-	-
(A)	10,22,260.48	5,12,871.33
Other receivables		
Unsecured, considered good	40,058.37	2,44,938.46
(B)	40,058.37	2,44,938.46
Total (A + B)	10,62,318.85	7,57,809.79

Particulars	Outstanding for following periods from due date of payment as at March 31, 2023						Total
	Not Due	< 6 months	6 month-1 yr	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables - Considered good	-	40,069.54	2,66,137.01	3,99,420.41	1,56,944.02	1,99,759.04	10,62,318.85
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-	-
Total Trade receivable		40,069.54	2,66,137.01	3,99,420.41	1,56,944.02	1,99,759.04	10,62,318.85

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022						Total
	Not Due	< 6 months	6 month-1 yr	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables - Considered good	-	2,44,938.46	1,54,481.95	1,56,944.02	1,55,939.63	45,505.73	7,57,809.79
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-	-
Total Trade receivable		2,44,938.46	1,54,481.95	1,56,944.02	1,55,939.63	45,505.73	7,57,809.79

15 Cash and bank balances (Current)

	As at March 31, 2023	As at March 31, 2022
Balances with banks on current accounts	857.25	1,202.55
Balances with banks on deposit accounts	847.87	114.25
Cash on hand	2.78	4.13
	1,707.90	1,320.93

: 10 :



	For the year 2022-23	For the year 2021-22
16 Revenue from operations		
Revenue from operations		
Sale of products	5,47,498.88	6,25,743.47
Revenue from operations:	5,47,498.88	6,25,743.47
17 Other income		
Interest income:		
Bank deposits	26.00	3.38
Others	8.94	38.79
Foreign exchange rate difference	12,272.77	23,259.34
	12,307.71	23,301.51
18 Cost of Materials Consumed		
Inventory at the beginning of the year	64,342.44	22,015.16
Add: Purchases	3,55,558.28	4,90,502.85
Less: Inventory at the end of the year	29,204.24	64,342.44
Total cost of material consumed	3,90,696.48	4,48,175.57
19 Purchase of goods traded		
Purchase of goods traded	1,65,062.31	1,98,634.12
Total	1,65,062.31	1,98,634.12
20 (Increase)/ decrease in inventories of finished goods, work-in-progress		
Inventories at the end of the year		
Work-in-process	1,162.97	1,078.82
Finished Goods	1,157.99	1,071.01
	2,320.96	2,149.83
Inventories at the beginning of the year		
Work-in-process	1,078.82	-
Finished Goods	1,071.01	-
	2,149.83	-
	(171.13)	(2,149.83)
21 Employee benefits expense		
Salaries, wages and bonus	355.09	201.95
Contribution to fund	4.75	0.29
Gratuity expenses	3.10	6.19
Staff welfare expenses	11.59	8.25
	374.53	216.68

