



**SAGAR DIAMONDS™**

E: [accounts@sagardiamonds.com](mailto:accounts@sagardiamonds.com)

W: [www.sagardiamonds.com](http://www.sagardiamonds.com)

**Registered Office:**

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

**GSTIN : 24AAWCS0068B1ZE  
L36912GJ2015PLC083846**

**Corporate Office:**

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

**Date: 07.09.2022**

To,

Corporate Relationship Department,  
BSE Ltd,  
P.J. Towers,  
Mumbai -400001

**Subject : Annual Report for the financial year 2021-22**

**Company Name: Sagar Diamonds Limited**

**Company code: 540715**

Dear Sir,

Pursuant to Regulation 34 and other applicable regulations of SEBI (LODR) Regulations 2015, please find attached herewith Annual Report of Sagar Diamonds Limited for the Financial Year 2021-22.

Kindly acknowledge the same & take note on your records.

With regards,

For Sagar Diamonds Limited

**For SAGAR DIAMONDS LTD.**

**DIRECTOR**

Vaibhav Dipak Shah  
Managing Director  
DIN: 03302936



07TH  
ANNUAL REPORT  
2021-22



SAGAR DIAMONDS

**CORPORATE INFORMATION**

<b>Corporate Identity Number</b>	: L36912GJ2015PLC083846	
<b>Board of Directors</b>	: Mr. Vaibhav Dipak Shah : Mr. Manendra Pratap Singh : Mr. Shrikrishna Baburam Pandey : Ms. Bandana Singh : Mr. Saurin Rasiklal Shah	Managing Director & CFO Independent Director Independent Director Independent Director Non Executive Director
<b>Company Secretary</b>	: Ms. Pooja Surendra Jain	
<b>Statutory Auditors</b>	: M/s. G B & Co., Chartered Accountant 504, Milestone, Drive-in Cinema Road, Thaltej, Ahmedabad-380054 Gujarat.	
<b>Registered Office</b>	: Plot no. 266-B, SEZ Diamond Park, Sachin, Surat 394 230 Gujarat India. Ph: +91-261-2397866 Email id: cs@sagardiamonds.com	
<b>Corporate Office</b>	: Office No. 903, 9th Floor, Embassy Centre, Jamnalal Bajaj Marg Nariman Point, Mumbai 400 021 Maharashtra India. Ph: +91-22-35633509 Email id: cs@sagardiamonds.com	
<b>Plants</b>	: Plot no. 266-B, SEZ Diamond Park Sachin Surat GJ 394230 Ph : +91-261-2397866	
<b>Registrar &amp; Share Transfer Agents</b>	: "Bigshare Services Private Limited" 1 <sup>st</sup> Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai -400 059, Maharashtra, India. Phone no.: +91-22-62638200 Extn. 212   Fax: +91-22-62638299 Email id: sandeep@bigshareonline.com	
<b>Company Website</b>	: www.sagardiamonds.com	

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**CORPORATE SNAPSHOT**

➤ **Procuring Rough Diamonds**

Sagar Diamonds Limited deals in rough and polished diamonds, which are procured from, trusted and certified suppliers and provided to recognized buyers. It also carries out manufacturing by procuring rough diamonds, which are then processed by trained and qualified workers on job work basis.

➤ **Exporting Diamond Jewellery**

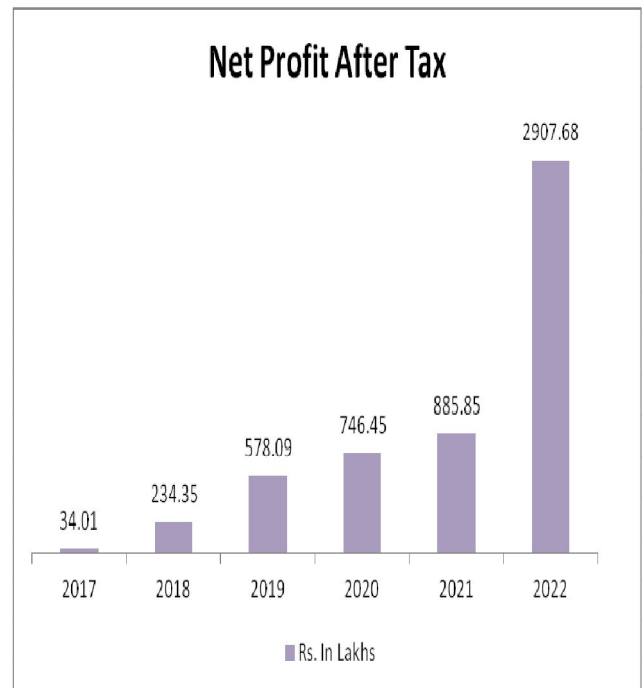
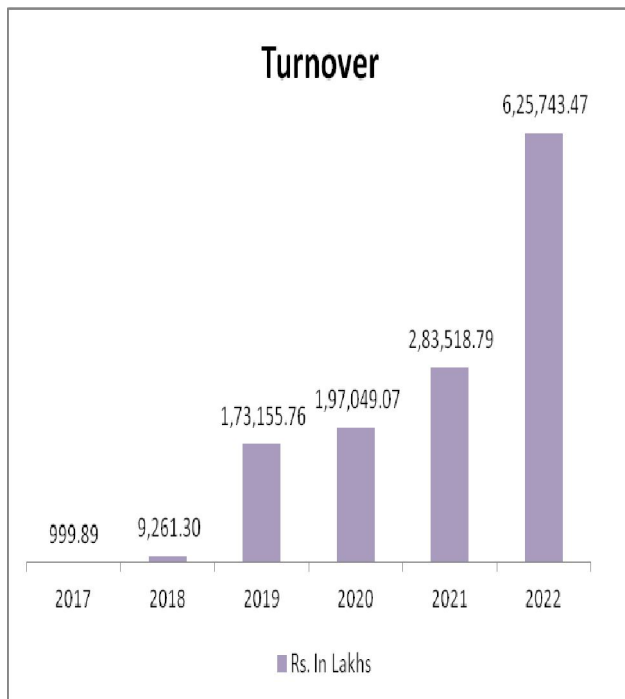
With consistent performance and dedicated staff, progress is inevitable. We further created **SAGAR DIAMONDS** that manufactures and exports diamond Jewellery.

The manufacturing activity is carried out at our factory unit located in Sachin (S.E.Z), Gujarat. We specialize in rings, earrings & necklaces, which are carefully handcrafted by skilled artisans.

➤ **Standard and Quality of Diamonds**

To maintain the standard and quality of diamonds, we carry out extensive quality checks and source our diamonds from reliable and recognized suppliers. We endeavor to be the best by providing quality that ensures customer satisfaction.

May 2010	July 2015	July 2017	Sep 2017
<ul style="list-style-type: none"> <li>Sagar Gems—a proprietary concern started by Mr. Vaibhav Dipak Shah</li> </ul>	<ul style="list-style-type: none"> <li>Introduction of Sagar Diamonds Private Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Conversion of Private Ltd into Public Ltd in the name of Sagar Diamonds Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Equiy Shares of Company get Listed on SME Platform of BSE</li> </ul>



**MESSAGE FROM MANAGING DIRECTOR**



Dear Shareholders,

I am extremely proud to present the 07<sup>th</sup> Annual Report of Sagar Diamonds Limited, BSE SME Listed Company as the Managing Director. When we look at Sagar Diamonds today, we can see that it has been a year of great transition for the Company.

There were recurrences of COVID waves, coupled with other headwinds, such as geopolitical tensions and disrupted business operations worldwide. Nonetheless, I am proud to announce that in the face of multiple difficulties, we, at Sagar, sailed through with grit and recorded a promising and tremendous performance.

I am pleased to say that your Company has delivered competitive, profitable and remarkable growth. The Company's performance has consistently been improving year by year.

Financial year 2022 was an excellent year with revenue growth of 120.70% over Financial year 2021 recording the highest revenue in the history of the Company. We ended the year with profit after tax of Rs.2,907.68 lakhs and recorded growth of 228.24% over previous year.

During Financial year 2021-22, Your Company's Export Sales has been recorded of Rs. 4,83,997.04 lakhs against export revenue recorded of Rs. 1,86,879.39 lakhs in the previous year. Your Company has successfully exported Diamonds and Jewellery in its Brand name to Hong Kong.

Details of our growth Strategies and company' performances during Financial Year 2021-22 have been elaborated in the Director Report and Management Discussion Analysis Report Section of this Annual Report.

I would like to thank all our consumers, Bankers, employees, Suppliers who are directly or indirectly associated with the company for their support and commitment, which helped us reach where we are now.

I would like to thank our shareholders for their trust and encouragement and assure to serve strong and Profitable and Sustainable Growth.

**With Warm regards**  
**Mr. Vaibhav Dipak Shah**  
**Chairman & Managing Director**  
**Sagar Diamonds Limited**



**BRIEF PROFILE OF DIRECTORS**

**Mr. Vaibhav Dipak Shah**

*Chairman- Managing Director & CFO*

*Mr. Vaibhav shah is a successful entrepreneur. With indomitable will and passion he was able to overcome the hardships along his journey and has attained his standing today. Mr. Shah has completed his Bachelor of commerce and is a GIA Diamond graduate.*

**Mr. Manendra Pratap Singh**

*Independent Director*

*Mr. Manendra Pratap Singh is a Master of Arts by qualification. He has 13 years of experience in Corporate World and understanding of financials and working of Listed Companies.*

**Mr. Shrikrishna Baburam Pandey**

*Independent Director*

*Mr. Shrikrishna Baburam Pandey is a under graduate. He has 8 years experience in field of Diamonds and Textile Industry and expert at Operational Management.*

**Ms. Bandana Singh**

*Independent Director*

*Ms. Bandana Singh is a Master of Arts by qualification. She has 6 years of experience in the field of Designing and Marketing.*

**Mr. Saurin Rasiklal Shah**

*Non-executive Non Independent Director*

*Mr. Saurin Rasiklal Shah is a Master of Arts and bachelor of laws in Criminal Law by qualification. He has more than 10 years of experience in the field of Diamonds, Gems and Jewellery. He also has vast experience of working the private companies*

**Ms. Pooja Jain**

*Company Secretary*

*Ms. Pooja Jain is a commerce graduate and an associate member of Institute of Company Secretaries of India. She has gained professional training from Mumbai and expertise's in Company & LLP formation, Compliances under Company & LLP Law.*

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **07th ANNUAL GENERAL MEETING** of members of "SAGAR DIAMONDS LIMITED " will be held on **Friday, the 30<sup>th</sup> Day of September, 2022** at **11.30 a.m.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To re-appoint Mr. Saurin Rasiklal Shah (DIN: 05329991), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.

**SPECIAL BUSINESS**

3. To Consider Appointment of Statutory Auditor for period of five years and to fix their remuneration.

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

**"RESOLVED THAT** subject to the provisions of Section 139, 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, M/s. Thakkar & Co., Chartered Accountants (Firm Registration No. 127202W), be and are hereby appointed as the Statutory Auditor of the Company for a period of 5 (five) consecutive years (Financial year 2022-2023 to Financial Year 2026-2027) commencing from the conclusion of this 07 Annual General Meeting till the conclusion of 12th Annual General Meeting of the Company to be held in the year 2027 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the board of directors of the company be and are hereby severally authorized to do all such act, deeds and things to give effect to this resolution."

4. To Consider Approval for Material Related Party Transactions

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, Regulations 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") governing the Related Party Transactions and such other rules as may be applicable and amended from time to time, consent of the members of the company be and is here by recorded for the following arrangements/transactions entered and to be entered into by the company be at arm's length basis and in the ordinary course of business of the Company: (Rs. in crores)

<b>Related Party Transactions u/s 188 (1) of Companies Act, 2013/ Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>	<b>Sagarempire Bullions Pvt. Ltd</b>	<b>Sagarempire Jewels Pvt. Ltd.</b>
Nature of Relationship	a private company in which a director or his relative is	a private company in which a director or his relative is

	a member or director;	a member or director;
Name of Interested Directors/KMP	Mr. Vaibhav Shah and Mr. Saurin Shah	Mr. Vaibhav Shah And Mr. Saurin Shah
Sale, purchase of goods or materials or supply of services	2,500	2,500
Selling or buying of fixed assets or property	-	-
availing or rendering of any services;	-	-
Appointment to any office or place of profit in the company	-	-
Giving of Advance	250	250

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

5. To Consider Approval for Investments, Loans, Guarantees and security in excess of limits specified under section 186 of Companies Act, 2013.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or amendments thereto or re-enactments thereof) and in terms of Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by the Resolution) to give any loan(s) to any other body corporate or person and/or give any guarantee(s) or provide any security(ies) in connection with any loan(s) to any other body corporate or person and/ or to make any investments or 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, whether in India or outside India, as may be considered appropriate, beneficial and in the interest of the Company, provided that the aggregate of the loans and investments so far made in and the amount or which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 500 crores (Rupees Five Hundred Crore 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 & securities premium account, whichever is more as prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to delegate all or any of the powers conferred on it by or under the aforesaid resolution to any Director or to the Company Secretary, as it may consider appropriate in order to give effect to the resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."



6. To Consider Approval for Giving Loan Or Guarantee or Providing Security In Connection with Loan availed by any Other Person Specified under section 185 of the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 185 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company 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/ to be taken by any entity which is a subsidiary or associate or joint venture of the Company or any other person or bodies corporate (collectively referred to as the "Entities") covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section (b) of Section 185(2), up to limits approved by the shareholders of the Company under section 186 of the Companies Act, 2013, from time to time, in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing entities for its principal business activities.

**RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution."

**By order of the Board  
For Sagar Diamonds Limited  
Sd/-  
Pooja Jain  
(Company Secretary)**

Date: 03<sup>rd</sup> September, 2022

Place: Surat

**NOTES:-**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and all other relevant circulars issued from time to time (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, Dated January 15, 2021 (referred to as "SEBI Circular") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only.
2. The Deemed Venue of the 07<sup>th</sup> AGM of the Company shall be its Registered Office.
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

4. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business at Item No. 3 to 6 of the above Notice is annexed hereto.
5. The Company has engaged the services of National Securities Depository Limited (NSDL), to provide video conferencing facility and remote e-voting and e-voting facility during AGM.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF/JPEG Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at [cs.jkpa@gmail.com](mailto:cs.jkpa@gmail.com) and copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [cs@sagardiamonds.com](mailto:cs@sagardiamonds.com).
8. The Register of Members and share Transfer Book shall remain closed from **SATURDAY, 24<sup>TH</sup> SEPTEMBER, 2022 TO FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2022 (BOTH DAYS INCLUSIVE)** for purpose of 07<sup>th</sup> Annual General Meeting of the company.
9. Brief profile and other relevant information about Directors seeking appointment / re-appointment, in accordance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are attached to this Notice forming part of the Annual Report.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/Registrar of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 23<sup>rd</sup> September, 2022 only shall be entitled to avail the facility of remote e-voting and e-voting at this Annual General Meeting. A person who is not a Member as on the cut-off date should treat this Notice as for information purpose only.

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF ANNUAL REPORT, USER ID & PASSWORD AND REGISTRATION OF E-MAIL ID FOR E-VOTING:**

12. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.sagardiamonds.com](http://www.sagardiamonds.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [cs@sagardiamonds.com](mailto:cs@sagardiamonds.com) or [jibu@bigshareonline.com](mailto:jibu@bigshareonline.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode. Alternatively members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting.

14. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

15. Only those persons who are Members of the Company as on the cut-off date i.e. 23<sup>rd</sup> September, 2022 will be able to attend the AGM through VC / OAVM and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
16. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
17. For convenience of the Members and proper conduct of AGM, Members can login and join at least 15 minutes before the time scheduled for the AGM by following the procedure mentioned in the Notice and shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
18. Members who need assistance before or during the AGM with use of technology can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800 1020 990 /1800 22 44 30.
19. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
20. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**PROCEDURE TO RAISE QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

21. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs@sagardiamonds.com](mailto:cs@sagardiamonds.com) from Thursday 22<sup>nd</sup> September, 2022 (9:00 A.M.) to Saturday, 24<sup>th</sup> September, 2022 (5:00 P.M). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The queries should be precise and in

brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

Members may send their questions in advance mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs@sagardiamonds.com](mailto:cs@sagardiamonds.com) during aforesaid period. The same will be replied by the Company suitably.

**HELPPESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE FOR ANY TECHNICAL ISSUES REALTING TO LOGIN THROUGH DEPOSITORIES i.e. NSDL AND CDSL**

**22. Contact Details**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**VOTING THROUGH ELECTRONIC MEANS**

23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), read with MCA Circulars and SEBI Circular, Company is providing facility of remote e-voting to its Members to cast their vote electronically, through the E-voting services provided by NSDL on all the resolutions set forth in this Notice. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
24. The Board of Directors have appointed M/s. JKPA & Associates, Practicing Company Secretaries, Surat as the Scrutiniser to scrutinise the voting process in a fair and transparent manner.
25. The Members who have cast their vote by remote E-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
26. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 23<sup>rd</sup> September, 2022.
27. Any person who becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.

If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 or may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

28. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the E-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com> to reset the password.
29. In case of any queries relating to E-voting you may refer to the FAQs for Shareholders and E-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) In case of any grievances connected with facility for E-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) , Tel: 1800-1020-990/ 1800-224-430.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:**

30. **The remote e-voting period begins on Monday, 26<sup>th</sup> September, 2022 at 09:00 A.M. and ends on Thursday, 29<sup>th</sup> September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September, 2022, may cast their vote electronically.**
31. The details of the process and manner for remote E-voting using NSDL e-Voting system are explained herein below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for <b>NSDL IDeAS facility</b> , please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name



	<p>or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example: if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

#### **OTHER INSTRUCTIONS:**

32. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote E-voting and make within two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
33. The result declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.sagardiamonds.com](http://www.sagardiamonds.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO SPECIAL BUSINESS MENTIONED IN THE NOTICE CONVENING 07<sup>TH</sup> ANNUAL GENERAL MEETING:****Item No. 3**

The Members of the Company at its 06<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2021 had appointed M/s. G B & Co, Chartered Accountants, Ahmedabad (FRN No. 139110W) as the Statutory Auditors of the Company to hold office conclusion of the 06<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company.

M/s. G B & Co, Chartered Accountants have resigned from the office of Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board of Directors at its meeting held on 03<sup>rd</sup> September, 2022, as per the recommendation of the Audit Committee and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, recommended the appointment of M/s. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127202W), as Statutory Auditor of the Company to hold office for a period of five consecutive years (Financial Year 2022-2023 to Financial Year 2026-2027), commencing from the conclusion of the 07<sup>th</sup> Annual General Meeting, till the conclusion of the 12<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Director of the Company.

The Company has received consent letter and eligibility certificate from M/s. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127202W) to act as Statutory Auditor of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

Accordingly, the Board recommends an Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

**Item No. 4**

Pursuant to provision of section 188 (1) of the Companies Act, 2013 read with the Companies (Meeting of Board and its power) Rules, 2014, the Related party Transactions as mentioned in clause (a) to (g) of the said section requires a company to obtain prior approvals of the Board of Directors and subsequently the shareholder of the company by way of Ordinary Resolution in case the value of the Related Party Transaction exceeds the stipulated threshold prescribed in Rule 15(3) of the said Rules.

The Company, in ordinary course of its business, regularly does the transaction with related parties including those mentioned in the Notice on an arm's length basis. On the basis of the same, the company hereby proposes to seek shareholders' approval for the said transaction by way of an Ordinary Resolution under Section 188 of the Companies Act, 2013 to enable company to enter into Related Party Transactions in one or more tranches. The Particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement as per Rule 15(3) of the Companies (Meeting of Board and its Power), Rules 2014 are as follows:

(Rs. in crores)

<b>Related Party Transactions u/s 188 (1) of Companies Act, 2013/ Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</b>	<b>Sagarempire Bullion Pvt. Ltd</b>	<b>Sagarempire Jewels Pvt. Ltd.</b>
Nature of Relationship	a private company in which a director or his relative is a member or director;	a private company in which a director or his relative is a member or director;
Name of Interested Directors/KMP	Vaibhav Shah & Saurin Shah	Vaibhav Shah & Saurin Shah
Sale, purchase of goods or materials or supply of services	2,500	2,500
Selling or buying of fixed assets or property	-	-
availing or rendering of any services;	-	-
Appointment to any office or place of profit in the company	-	-
Giving of Advance	250	250
Silent Terms & Duration	ongoing	ongoing

Members are informed that no Members shall vote on the Resolution to approve related party transactions, if such Member is a related party. None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested, financially or otherwise, in the aforesaid special resolution, except to their equity holdings and Directorships in the Company, if any.

Accordingly, the Board recommends an Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members

**Item No. 5**

Pursuant to Section 186 (2) of the Companies Act, 2013 read with Rule 11 & 13 of the Companies (Meetings of Board and its Powers) Rules, 2014 any loan to any person or other body corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and 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 securities premium account, whichever is more, shall be approved in the General Meeting by way of Special Resolution.

Hence, Keeping in view Business and Investment purpose of the company, company may give loan and guarantee to any person and make investment by acquiring securities by way of purchase or subscription or otherwise from time to time. so it is proposed to increase the limit of give any loan or guarantee or providing security to body corporate or any other person and to invest fund upto Rs. 500 crores (Rupees Five hundred Crores only) and recommend passing of this resolution by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, except to the extent of their shareholding in the aforesaid Special Resolution.

Accordingly, the Board recommends the Special Resolution set out at item no. 5 of the accompanying Notice for approval of members.



**Item No. 6**

The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan to such Entities.

The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by such Entities, for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities, up to an aggregate amount of approved limit, from time to time, by the shareholder of the Company under Section 186 of the Company Act, 2013 over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested, financially or otherwise, in the aforesaid special resolution, except to their equity holdings and Directorships in the Company, if any.

Accordingly, the Board recommends the Special Resolution set out at Item No. 6 of the accompanying Notice for approval of the Members.

**By order of the Board  
For Sagar Diamonds Limited  
Sd/-  
Pooja Jain  
(Company Secretary)**

Date: 03<sup>rd</sup> September, 2022  
Place: Surat

**Annexure-A**

**Details of Directors seeking appointment / re-appointment pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on “General Meeting”:**

<b>Name of Director</b>	Mr. Saurin Rasiklal Shah
<b>DIN</b>	05329991
<b>Designation</b>	Non-Executive Director
<b>Date of Birth</b>	08/01/1973
<b>Nationality</b>	Indian
<b>Date of First/Original Appointment on Board</b>	11/12/2020
<b>Expertise in Specific General Functional Area</b>	Ten years of experience in the field of Diamonds, Gems and Jewellery.
<b>Qualification</b>	Master of Arts and bachelor of laws in Criminal Law.
<b>Terms and Conditions of appointment/reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person</b>	Non-Executive Director, liable to retire by rotation. Given Rs. 20 Lakh as Professional Fees in the F.Y 2020-21. Given Rs. 62.98 Lakh as Professional Fees in the F.Y 2021-22.
<b>No. of Board Meetings attended during the year</b>	Nine
<b>Directorship held in listed Companies</b>	1. Sagar Diamonds Limited
<b>Directorship held in other Companies/LLP</b>	1. Shreeja Petroleum LLP 2. Sagarsavya Tech Auto Private Limited 3. Sagarempire Jewels Private Limited 4. Sagarempire Bullions Private Limited 5. Sagarempire Infraventures Private Limited 6. Mother Pinex Private Limited 7. Sagarempire Aerospace Private Limited 8. Thirty Seven Jain Welfare Foundation 9. Chintamani Enviro Care Private Limited 10. Sagar Port Infra Management Private Limited 11. Saur In Autosol Energy Private Limited
<b>Membership/ Chairmanship of Committees of other Public Companies</b>	Chairmanship of Audit Committee in Sagar Diamonds Limited Chairmanship of Nomination & Remuneration Committee in Sagar Diamonds Limited Chairmanship of Stakeholder Relationship Committee in Sagar Diamonds Limited Chairmanship of CSR Committee in Sagar Diamonds Limited
<b>Shareholding in the Company</b>	15,000
<b>Relationship between Director/KMP inter-se</b>	Not related to any director/KMP

**DIRECTORS' REPORT**

To  
The Members  
**SAGAR DIAMONDS LIMITED**

Your Directors have pleasure in presenting the 07<sup>th</sup> annual Report of the company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2022.

**FINANCIAL RESULT AND PERFORMANCE:****(Rs. in Lakhs except EPS)**

<b>Particulars</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
Revenue from Operation	6,25,743.47	2,83,518.79
Other income	23,301.51	20.42
Profit Before Interest & Depreciation & Tax (EBITDA)	3,659.27	1,205.73
(-)Finance Cost	87.16	77.00
(-) Depreciation	70.64	24.96
Net Profit before tax & Exceptional items	3,501.47	1,103.77
(+)Exceptional Items	0.00	0.00
Net Profit Before tax	3,501.47	1,103.77
(-) Tax Expense	593.79	217.93
<b>Net Profit for the year after tax</b>	<b>2,907.68</b>	<b>885.84</b>
Earnings per share (Basic & Diluted) (In Rs.)	<b>23.00</b>	<b>7.01</b>

**1. BUSINESS OVERVIEW**

Your Company is engaged in the business of manufacturing, sale and trading of diamond and Jewellery and operates in different geographical areas i.e. domestic sales and export sales.

**2. STATE OF THE COMPANY'S AFFAIRS**

Your company reported a turnover of Rs. 6,25,743.47 lakhs i.e., a 120.70% increase over the previous financial year. The Company delivered an all-time high EBITDA (before exceptional items) of Rs. 3,659.27 lakhs with a growth of 203.49% (PY 1,205.73 lakhs ) and Profit before tax at Rs. 3,501.47 lakhs with a growth of 217.22% (PY Rs. 1,103.77 lakhs). The Net Profit after Tax was higher at Rs.2,907.68 lakhs i.e a growth of 228.24% (PY Rs. 885.84 lakhs). The EPS recorded at Rs.23.00 (PY Rs.7.01) a growth of 228.10%. The Company could able to achieve record turnover due to proper planning and existing capacity utilisation. The management has taken due care in adhering to cost control measures.

**3. EXPORT**

The Company has exported diamonds and Jewellery to Hong Kong. During the year under review, your Company has recorded export of Rs. 4,83,997.04 lakhs against export revenue recorded of Rs. 1,86,879.39 lakhs in the previous year.

**4. DIVIDEND**

With a view to conserve the resources for the company's Business operations, your directors have deemed it prudent to not to recommend any dividend for the year ended 31<sup>st</sup> March, 2022.

**5. TRANSFER TO RESERVE**

During the year under review, no amount from profit was transferred to General Reserve.

**6. SHARE CAPITAL**

The Paid up equity share capital as on March 31, 2022 was Rs. 1264.378 lakhs divided into 1,26,43,780 equity shares of Rs. 10 each. During the year under review:

- a. The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- b. The Company has not issued any shares (including sweat equity shares) to employees of the Company or its subsidiary under any scheme.
- c. There is no change in the Share Capital Structure of the Company during the year under review.

**7. ANNUAL RETURN**

The Annual Return of the Company as on 31<sup>st</sup> March, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, will be uploaded on the Company's website and the same can be accessed at <https://www.sagardiamonds.com/investor-relations/reports.aspx>

**8. DETAILS OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE**

As on 31st March, 2022, your Company does not have any Joint Ventures, Subsidiaries and Associates Company. Hence, statement containing salient features of the financial statements of the Company's subsidiaries/ Associate Companies and Joint Venture in Form AOC-1 is not applicable to your company.

**9. CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS REPORT**

As per regulation 15 of SEBI (Listing Obligation And Disclosure Requirement) Regulations, 2015, the compliance with the requirements of corporate governance shall not apply ,in respect of (a) The listed entity having paid up equity share capital not exceeding rupees ten crores and net worth not exceeding rupees twenty five crores, as on the last day of the previous financial year (b) The listed entity which has listed its specified securities on the SME Exchange.

The company falls within the ambit of aforesaid exemption (b), hence the compliance with the reporting of corporate governance is not applicable to the company. Therefore, Corporate Governance Report and Auditor's Certificate on Corporate Governance is not provided.

Pursuant to Regulation 34(2)(e) of SEBI (Listing obligations and Disclosure Requirements) (LODR) Regulations, 2015, Management Discussion and Analysis Report forms an integral part of this Annual Report.

**10. DEPOSITS**

During the year under review, the Company has not accepted deposit falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, of Mr. Saurin Rasiklal Shah (DIN: 05329991) will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

The details of Director being recommended for appointment/reappointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the company.

Following changes has been occurred in the Board of Director and KMP:

Name of Director/KMP	Designation	Date of Appointment in current Designation	Date of Resignation
*Saurin Rasiklal Shah	Non Executive Director	30/09/2021	--
Rahil Hiteshbhai Chovatia	Director	29/05/2017	02/08/2021

\*Mr. Saurin Shah, appointed as Additional Director on 11/12/2020, has been Regularised as Non-executive director in 06th AGM held on 30/09/2021.

The following persons have been designated as Key Managerial Personnel of your 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:

Name of KMP	Designation	Date of Appointment in current Designation	Date of Resignation
*Mr. Vaibhav Dipak Shah	Managing Director	08/07/2017	-
Mr. Vaibhav Dipak Shah	CFO	13/12/2018	-
Ms. Pooja Jain	Company Secretary	01/08/2019	-

\* Mr. Vaibhav Shah has been re-appointed as Managing Director for period of five years w.e.f 08/07/2022 in the 06th AGM held on 30/09/2021.

## **12. DECLARATION FROM INDEPENDENT DIRECTORS**

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as provided in section 149(6) as well as under regulation 25 of (LODR) Regulation, 2015. There has been no change in the circumstances which may affect their status as Independent Director during the year.

## **13. BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by the SEBI Regulations. The evaluation framework for assessing the performance of Directors Comprises the following key areas:

- Attendance of Board Meeting and Board Committee Meetings.
- Quality of Contribution to Board deliberations.
- Strategic perspectives or inputs regarding future growth of Company and its performance.
- Providing perspectives and feedback going beyond information provided by the management.
- Commitment to shareholders and other stakeholder interests.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the Individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into



account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its Committees and Individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director being evaluated.

#### **14. MEETING OF BOARD OF DIRECTORS**

During the year, 9 (Nine) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of which are as follow:

Sr. NO.	Date of Meeting	Board Strength as on date of Board Meeting	Directors Present as on date of Board Meeting
1.	01/06/2021	6	5
2.	30/06/2021	6	6
3.	02/08/2021	5	5
4.	25/08/2021	5	4
5.	30/08/2021	5	4
6.	14/09/2021	5	4
7.	29/11/2021	5	5
8.	01/01/2022	5	4
9.	18/03/2022	5	4

During F.Y 2021-22, Attendance of Directors at Board Meetings are given below:

Name of Director	Designation	Board Meeting Attendance	Last AGM Attendance on 30/09/2021
Vaibhav Dipak Shah	Managing Director & CFO	3/9	Yes
Saurin Rasiklal Shah	Non executive Director	9/9	Yes
Manendra Pratap Singh	Independent Director	9/9	Yes
Shrikrishna Baburam Pandey	Independent Director	9/9	Yes
Bandana Singh	Independent Director	9/9	No
* Rahil Hiteshbhai Chovatia	Non-executive Director	2/2	No

\* Mr. Rahil Hiteshbhai Chovatia resigned from post of Director w.e.f 02/08/2021.

#### **15. DETAILS PERTAINING TO THE CONSTITUTION AND COMPOSITION OF THE BOARD COMMITTEES**

##### **(a) Audit Committee:**

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013.

During the financial year 2021-22, the Audit Committee met 5 (Five) times on 01/06/2021, 30/06/2021, 25/08/2021, 29/11/2021 and 18/03/2022 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

The details of composition of the Committee and their attendance at the meetings during year are

Name	Designation	Category	No. of Meetings Attended
Mr. Saurin Rasiklal Shah	Chairman	Non-executive Director	3/3
Mr. Manendra Pratap Singh	Member	Independent Director	5/5
Ms. Bandana Singh	Member	Independent Director	5/5
*Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	2/2

\* Mr. Rahil Hiteshbhai Chovatia resigned from post of Director w.e.f 02/08/2021 and Audit Committee has been reconstituted accordingly.

All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2021. The Minutes of all above stated meeting of the Audit Committee were noted at the Board Meeting.

Terms of reference and role of audit committee includes the matters specified under the companies act, 2013. Broad terms of reference includes; oversight of financial reporting process, review financial results and related information, approval to related party transactions, review internal financial controls, risk management, performance of statutory and internal auditors, audit process, relevant compliances, appointment and payments to auditors.

**(b) Nomination And Remuneration Committee:**

The Nomination and Remuneration Committee (NRC) of the Company is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

During the Financial year 2021-22, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 30/06/2021, 25/08/2021, 29/11/2021 and 18/03/2022.

The details of composition of the Committee and their attendance at the meetings during year are

Name	Designation	Category	No. of Meetings Attended
Mr. Saurin Rasiklal Shah	Chairman	Non-executive Director	3/3
Mr. Manendra Pratap Singh	Member	Independent Director	4/4
Ms. Bandana Singh	Member	Independent Director	4/4
*Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	1/1

\* Mr. Rahil Hiteshbhai Chovatia resigned from post of Director w.e.f 02/08/2021 and Nomination and Remuneration Committee has been reconstituted accordingly.

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2021. The Minutes of Nomination and Remuneration Committee meeting were noted at the Board Meeting.

The terms of reference as laid by the board broadly include to recommend to the Board a remuneration policy relating to directors, key managerial personnel and other employees, formulation of the criteria for determining qualifications ,positive attributes and independence of a director, formulation of criteria for evaluation of independent Directors and the Board, devising a policy on Board diversity ,identify persons who are qualified to become directors and who be appointed in senior management in accordance with the criteria laid down and recommend to the board their appointment and removal.

**(c) Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

The broad terms of reference of the Stakeholders' Relationship Committee are as under:

- Consider and resolve the grievances of share holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other shareholder related matters.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

During the Financial Year 2021-22, 4 (Four) meeting of the Stakeholders' Relationship Committee were held on 30/06/2021, 25/08/2021, 29/11/2021 and 18/03/2022. Ms. Pooja Jain, Company Secretary is designated as Compliance Officer of the Company.

The details of composition of the Committee and their attendance at the meetings during year are

Name	Designation	Category	No. of Meetings Attended
Mr. Saurin Rasiklal Shah	Chairman	Non-executive Director	3/3
Mr. Manendra Pratap Singh	Member	Independent Director	4/4
Ms. Bandana Singh	Member	Independent Director	4/4
*Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	1/1

\* Mr. Rahil Hiteshbhai Chovatia resigned from post of Director w.e.f 02/08/2021 and Stakeholders' Relationship Committee has been reconstituted accordingly.

During the year, the Company has not received any complaints from the Shareholders of the Company. There were no outstanding complaints as on 31st March, 2022.

**(d) Corporate Social Responsibility Committee:**

The Corporate Social Responsibility Committee of the Company is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013.

The terms of reference of the Committee, inter-alia, includes to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013; to recommend the amount of expenditure to be incurred on CSR activities and to monitor the implementation of the projects, programs and activities undertaken by the Company there under from time to time.

During the Financial Year 2021-22, 2 (Two) meeting of the Corporate Social Responsibility Committee were held on 30/06/2021 and 29/11/2021.

The details of composition of the Committee and their attendance at the meetings during year are

Name	Designation	Category	No. of Meetings Attended
Mr. Saurin Rasiklal Shah	Chairman	Non-executive Director	1/1
Ms. Bandana Singh	Member	Independent Director	2/2
Mr. Manendra Pratap Singh	Member	Independent Director	2/2
*Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	1/1

Mr. Rahil Hiteshbhai Chovatia resigned from post of Director w.e.f 02/08/2021 and Corporate Social Responsibility has been reconstituted accordingly.

**(e) Independent Directors Meeting**

During the year under review, a separate meeting of the Independent Directors of the Company was held on 30/06/2021, without the presence of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance of Chairperson of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board in terms of Schedule IV of the Act. All the Independent Directors of the Company were present in the meeting.

**16. POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes and other matters provided under sub section (3) of section 178 of the Companies Act 2013. The Company's Remuneration Policy for Directors, Key Managerial Personnel available on Company's website [www.sagardiamonds.com](http://www.sagardiamonds.com)

The Nomination and Remuneration Committee has laid down the criteria for Directors Appointment and Remuneration including criteria for determining qualification, positive attributes and Independence of Director. The following attribute/criteria for selection have been laid by the board on the recommendation of committee:

- The candidate should possess the positive attributes such as leadership, Entrepreneurship or such other attributes which in the opinion of the committee are in the interest of the Company.
- The candidate should be free from any disqualification as provided under sections 164 and 167 of Companies Act, 2013
- The candidate should meet the conditions of being independent as stipulated under the companies act, 2013.
- The appointment or re- appointment of a Director is made pursuant to an established procedure which includes assessment of managerial skills, professional behaviour, technical skills and other requirements as may be required by the post.
- The Executive and Whole-time Directors of the Company are paid remuneration as per their terms and conditions which are approved by the Board after taking into Consideration the recommendations made by Nomination and Remuneration Committee.

**17. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted a whistle Blower Policy through which the Company encourages employees to bring to the attention of Senior Management, any unethical behavior and improper practices and wrongful conduct taking place in the Company. The brief details of such vigil mechanism is available on website of the company i.e. [www.sagardiamonds.com](http://www.sagardiamonds.com).

**18. CODE OF CONDUCT:**

The Board of Directors of the Company has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Managing Directors as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is annexed as **Annexure-1**. Code of Conduct form Board of Directors and Senior Management Personnel is available on the Company's website [www.sagardiamonds.com](http://www.sagardiamonds.com).

**19. CFO CERTIFICATION:**

In compliance with Regulation 17(8) of the Listing Regulations, a declaration by CFO was placed before the Board, certifying the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting for the year ended 31st March, 2022 is annexed as **Annexure-1**.

**20. CORPORATE SOCIAL RESPONSIBILITY**

In compliance with Section 135 of the Companies Act, 2013, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII to the Companies Act, 2013. The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2022, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-2**.

In order to incorporate the amendments notified through the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dated 22nd January, 2021, the Board of Directors has amended the CSR policy of the Company. Corporate Social Responsibility Policy is placed on the Company's website [www.sagardiamonds.com](http://www.sagardiamonds.com).

## **21. DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013 that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures; the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013;
- 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 at the end of the financial year and of the profit of the Company for year ended on that date;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- 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;
- 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.

## **22. AUDITORS**

### **(a) Statutory Auditors:**

M/s. G B & Co, Chartered Accountants, Ahmedabad (FRN No. 139110W) were appointed as the Statutory Auditors of the Company at the 06<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2021 for a term of five consecutive years commencing from financial year 2021-22 up to Financial Year 2025-26, from conclusion of the 06<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 11<sup>th</sup> Annual General Meeting of the Company. However, M/s. G B & Co, Chartered Accountants have resigned from the office of Statutory Auditor of the Company, resulting into a casual vacancy in the office of Statutory Auditor of the Company as envisaged by section 139(8) of the Companies Act, 2013.

The Board has recommended to the members for the appointment of M/s. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127202W), as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. G B & Co, Chartered Accountants and to hold the office of the Statutory Auditors for a period of five consecutive years (Financial Year 2022-23 to Financial Year 2026-27) from the conclusion of the 07<sup>th</sup> Annual General Meeting till the conclusion of 12<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.

M/s. Thakkar & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 127202W) has confirmed their eligibility to act as the Statutory Auditors of the Company.

### ***Explanation Or Comments On Qualifications, Reservations Or Adverse Remarks Or Disclaimers Made By The Auditors:***

M/s. G B & Co, Chartered Accountants, Ahmedabad (FRN No. 139110W) have completed the Statutory Audit for period 2021-22 and submitted their Auditors Report for the financial year 2021-22.



Members' attention is invited to the observation made by the Auditors under "Qualified Opinion" appearing in Auditors Reports. ***"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 3,58,389.38 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, 2022.***

"The Board is of the opinion that It is not going to majorly impact financial position of the company. Considering nature of our industry, Post covid-19 situation and past experience, such delay / late recovery from receivables have been in earlier years also. No major write off has been happened in past. In the opinion of the Management, no allowance/ provision are required for above Trade receivables and these receivables are considered good and fully recoverable."

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under section 134(3)(ca) of the Act.

**(b) Internal Auditors:**

The Board of the Company has appointed M/s. Thakkar & Co., Chartered Accountants as Internal Auditors of the Company for financial year 2021-22. M/s. G B & co., Chartered Accountants will act as Internal Auditor of the Company for financial year 2022-23.

**(c) Cost Auditors:**

During Financial year 2021-22, Provisions related to Cost Auditor is not applicable to the Company.

**23. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed Mr. Anmol Jha, Practising Company Secretary to conduct Secretarial Audit for the Financial Year 2021-22. The Report of the Secretarial Auditors is annexed as **Annexure-3** in Form MR-3 to this Report.

Members' attention is invited to the observation made by the Secretarial Auditors- ***"Half yearly financials were filed with delay with BSE"***.

The Board is of the opinion that due to the current pandemic situation and due to non-availability of adequate accounts personnel in the Company during that period for finalization of Accounts we couldn't finalize the accounts and intimate the half yearly financials of the Company within time. however, the company has submitted unaudited financial results for the half year ended as on 30/09/2021 along-with limited review report on 29/11/2021.

**24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE**

Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

**25. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions entered into during the financial year were on an Arm Length basis and in the ordinary course of business. There were no material related party transactions made by the company with related parties which may have potential conflict with the interest of the company at large. Details of Related party transactions are provided in note 28 to financial statements. Related party transactions are placed before the audit committee and also before the board wherever necessary in compliance with the provisions of the Act, listing agreement and policy of the company to related party transactions. The

Company has not entered into Contracts / arrangement / transactions with related parties which are not at arms' length basis.

#### **26. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The nature of business is manufacturing of Diamonds. Risk management is an ongoing process and embedded in the operating framework of the Company. 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. Some of the risks faced by the Company are: a. Foreign Exchange Risk b. Growth Risk c. Stiff Competition d. Regulatory Risk e. Financial Risk f. Labour Risk g. Raw material price Risk. At present, there are no risks which in the opinion of the Board threaten the existence of the Company.

Your Company has not formed Risk Management Committee as it is not applicable under Regulation 21 of the SEBI (LODR) Regulations, 2015.

#### **27. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

#### **28. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is commensurate with its size, scale and complexities of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### **29. COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

#### **30. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors/KMP and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors/KMP and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Directors and the designated employees have confirmed compliance with the Code. The same has been displayed at the company's website at [www.sagardiamonds.com](http://www.sagardiamonds.com).

#### **31. INSURANCE**

The Company's building, plant and machineries, Stocks and other properties wherever necessary and to the extent required have been adequately insured.

#### **32. LISTING OF SHARES AND LISTING FEES**

The Equity Shares of your Company are listed and actively traded on the SME platform of BSE Limited. The Company has paid annual listing fees to the stock exchanges for the financial year 2022-23.

**33. REMUNERATION AND PARTICULARS OF EMPLOYEES**

The Company has no employee who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000/- per annum during any part of the year.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure -4** to the Director's Report.

**34. INDUSTRIAL RELATIONS**

The Company maintained healthy, cordial and harmonious industrial relations at all levels.

**35. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

As required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed as **Annexure- 5** to the Director's Report.

**36. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Your Directors further state that during the year under review, No complaint was received from any employee during F.Y 2021-22 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2022 for redressal.

**37. DETAILS OF SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, there are not any significant or material orders passed by the Regulators or Courts or tribunals impacting the going concern status and your Company's operations in future.

**38. GENERAL**

- d. There was no revision in the financial statements.
- e. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- f. There has been no change in the nature of business of the Company.
- g. There is no proceeding initiated/ pending against the Company under the Insolvency and Bankruptcy Code, 2016.
- h. There was no instance of onetime settlement with any Bank or Financial Institution.

**39. ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the financial institutions, Government Authorities, customers, vendors, investors of the Company and the communities in which the Company operates, for their co-operation and valuable support extended to the Company during the year.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on behalf of the Board of Directors****For Sagar Diamonds Limited****Sd/-****(Vaibhav Dipak Shah)****Managing Director & CFO**Date: 03<sup>rd</sup> September, 2022

Place: Surat

**For Sagar Diamonds Limited****Sd/-****(Saurin Rasiklal Shah)****Director**

**ANNEXURE-1 TO DIRECTORS' REPORT**

**CFO/CEO CERTIFICATION**

To,  
The Board of Directors of  
Sagar Diamonds Limited

In accordance with Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we certify that:

1. We have reviewed the financial statements and the cash flow statement of Sagar Diamonds Limited for the year ended 31st March, 2022 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 ended 31st March, 2022 which are fraudulent, illegal or violative 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. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - a. That there are no significant changes in internal control over financial reporting during the financial year ended 31st March, 2022;
  - b. That there are no significant changes in accounting policies during the financial year ended 31st March, 2022; and
  - c. That there are no instances of significant fraud of which we have become aware.

For Sagar Diamonds Limited  
Sd/-  
(Vaibhav Dipak Shah)  
Managing Director/CFO

Date: 03<sup>rd</sup> September, 2022  
Place: Surat

**Declaration regarding compliance by board members and senior management personnel with the company's code of conduct**

I, Vaibhav Dipak Shah, Managing Director of Sagar Diamonds Limited, hereby declares that all the Board Members and Senior Management Personnel have affirmed for the year ended 31st March, 2022 compliance with the respective Codes of Conduct laid down for them.

Date: 03<sup>rd</sup> September, 2022  
Place: Surat

Sd/-  
(Vaibhav Dipak Shah)  
Managing Director/CFO

**ANNEXURE-2 TO DIRECTORS' REPORT**

**Annual Report on the CSR activities pursuant to the Companies (Corporate Social Responsibility Policy) Rules 2014**

**1. Brief outline on CSR Policy of the Company:** The Term of reference of the Policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community, in the local area and around areas of operations of the Company including other parts of the Country. CSR programs or projects to be undertaken by the Company in terms of the Policy, shall relate to activities listed in Schedule VII of the Companies Act, 2013, as amended from time to time. Corporate Social Responsibility Policy is available on the website of the Company i.e www.sagardiamonds.com.

**2. Composition of CSR Committee:**

Name	Designation in committee	Nature of Directorship	No. of Meetings of CSR Committee held during the year	No. of Meetings of CSR Committee attended during the year
Mr. Saurin Rasiklal Shah	Chairman	Non-executive Director	1	1
Ms. Bandana Singh	Member	Independent Director	2	2
Mr. Manendra Pratap Singh	Member	Independent Director	2	2
* Mr. Rahil Hiteshbhai Chovatia	Chairman	Non-executive Director	1	1

\*Mr. Rahil Hiteshbhai Chovatia resigned from post of Director w.e.f 02/08/2021 and Corporate Social Responsibility has been reconstituted accordingly.

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:-**  
<https://www.sagardiamonds.com/investor-relations/policies.aspx>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in lakhs)	Amount required to be set-off for the financial year, if any (in lakhs)
1	2020-21	5.04	--
2	2021-22	9.03	--
	<b>TOTAL</b>	<b>14.07</b>	<b>--</b>

**6. Average net profits of the Company as per Section 135(5):** Rs. 923.59 lakhs

**7. (a) Two percent of average net profit of the company as per section 135(5):** Rs. 18.47 lakhs  
**(b) Surplus arising out of CSR projects or programmes/activities of previous financial years:** Nil  
**(c) Amount required to be set off for the financial year, if any:** - Nil  
**(d) Total CSR obligation for the financial year (7a+7b-7c):** Rs. 18.47 Lakhs

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

Total Amount Spent for the Financial Year (in lakhs)	Amount Unspent (in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in lakhs)	Date of transfer	Name of the Fund	Amount (in lakhs)	Date of transfer
27.50	--	--	--	--	--

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

1	2	3	4	5		6	7	8	9	10	11	
Sl No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in lakhs)	Amount spent in the current financial Year (in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	-	-	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-	-	-
	Total											

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	37 Jain welfare Foundation	Promoting education	No	Gujarat	Ahmedabad	12.00	Yes	Thirty Seven Jain Welfare Foundation	AAFT5259A/672/16-17/T-1215/12AA
2	Vidyabharati Bharatiya Shiksha Sankul Samiti	Promoting education	No	Maharashtra	Pune	14.50	Yes	Vidyabharati Bharatiya Shiksha Sankul Samiti Chiplun	F19886/15.02.2005
3	Believe Foundation	Promoting education	NO	Gujarat	Ahmedabad	1.00	yes	Believe Foundation	E/21002/Ahmedabad
	<b>Total</b>					<b>27.50</b>			

**(d) Amount spent in Administrative Overheads- Nil**

**(e) Amount spent on Impact Assessment, if applicable- Nil**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- Rs. 27.50 lakhs**

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	18.47
(ii)	Total amount spent for the Financial Year	27.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.03
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.03



**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in lakhs)	Amount spent in the reporting Financial Year (in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in lakhs)
				Name of the Fund	Amount (in lakhs)	Date of transfer	
1	2019-20	-	-	-	-	-	-
2	2020-21	-	-	-	-	-	-
3	2021-22	-	-	-	-	-	-
	Total	-	-	-	-	-	-

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in lakhs)	Amount spent on the project in the reporting Financial Year (in lakhs)	Cumulative amount spent at the end of reporting Financial Year (in lakhs)	Status of the project -Completed /Ongoing
1	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)- Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).	Nil
(b) Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Nil

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - Not Applicable**

Sd/-  
Vaibhav Dipak Shah  
Managing Director & CFO

Sd/-  
Saurin Rasiklal Shah  
Chairman CSR Committee

Date: 03<sup>rd</sup> September, 2022  
Place: Surat

**ANNEXURE-3 TO DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

[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  
Sagar Diamonds Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sagar Diamonds Limited** (hereinafter called the company) (CIN NO: L36912GJ2015PLC083846). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the available books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Proper disclosures were made under these regulations, where required.**
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;- **There was no such event during the year.**
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;-**Proper disclosures were made under these regulations.**
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;- **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable.**
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;- **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable.**
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
    - f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- **There were no**

**events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**

vi. As per information provided by the management and Board of directors of the company, The Company is in process of registration with Factories Act Compliance, and is generally compliant with the labour laws as applicable to the Company.

- 2. We have also examined compliance with the applicable clauses of the following:
  - i. Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India;
  - ii. The Listing Agreement entered into by the Company with BSE Limited-SME Exchange;

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except:

***i. Half yearly financials were filed with delay with BSE***

- 3. We further report that:
  - I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act;
  - II. 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;
  - III. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- 4. 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.

**For Anmol Jha  
Company Secretaries  
CS Anmol Jha  
Membership No.: 39714  
CP No.: 14872  
UDIN: A039714D000901201**

**Place: Indore  
Date: 02/09/2022**

**ANNEXURE-4 TO DIRECTORS' REPORT**

**DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013**

**PART-(A) Disclosure as required under Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- (1) Ratio of the Remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31<sup>st</sup> March, 2022 and the percentage increase in remuneration of each Director, Chief Financial officer, Chief Executive officer, Company Secretary for the financial year ended 31<sup>st</sup> March, 2022:

Name of the Director/KMP	Remuneration received (In Rs.)	% Increase in Remuneration in F.Y 2021-22	Ratio to median remuneration
Mr. Vaibhav Shah (Managing Director)	84,00,000	-	130.02
Ms. Pooja Jain (Company Secretary)	3,60,000	14.28%	N.A
Mr. Manendra Singh (Independent Director)	-	-	N.A
Mr. Shrikrishna Pandey (Independent Director)	-	-	N.A
Ms. Bandana Singh (Independent Director)	-	-	N.A
*Mr. Saurin Rasiklal Shah (Non-executive Director)	62,98,000	-	N.A

*\*Mr. Saurin Rasiklal Shah received Professional Fees during his tenure.*

- (2) Median Remuneration of employee for financial year 2021-22 is Rs. 64,607.  
 (3) During F.Y 2021-22, there was decrease of 21.19% in the median remuneration of employees.  
 (4) There were 58 permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2022.  
 (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 23.24%.  
 (6) It is affirmed that the remuneration paid is as per remuneration policy of the company.

**PART-(B) information as per Rules 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- a) Details of top ten employee in terms of gross remuneration paid during year ended 31<sup>st</sup> March, 2022.

Sr No	Name of Employee	Designation /Department	Remuneration received (In Rs.)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age	Last employment held before joining company	% of equity shares held	whether any such employee is a relative of any director or manager of Company
1.	Vaibhav Dipak Shah	Managing Director	84,00,000	Permanent	B.com, GIA	13 years	2015	36	Sagar Gems, Proprietor	49.26	-
2.	Nidhi Shah	Finance Head	12,00,000	Permanent	B.com, CA	10 years	2017	34	--	0.13	-
3.	Montu Gandhi	Office In Charge	8,00,200	Permanent	T.Y.B.com	10 Years	2017	34	Sagar gems		
4.	Priya Dhaval Shah	Jewellery Designer	5,00,000	Permanent	B.com, MBA		2020	34	-	-	-
5.	Hiren Trivedi	Office In Charge	4,61,767	Permanent	F.Y.B.com	5 Years	2017	36	Sagar gems		
6.	Nandlal Gadri	CHIEF	4,25,600	Permanent	12 <sup>th</sup> PASS	10 years	2019	38	-		
7.	Mahendra Singh	Security in charge	3,60,761	Permanent	-	-	-	-	-	-	-
8.	Pooja Surendra Jain	CS	3,60,000	Permanent	B.com, CS	4 years	2019	27	-	-	-
9.	VijayPrajapati	Accounts Executive	2,00,157	Permanent	B.com	-	-	-	-	-	-
10.	Tejaskumar Patel	Casting Operator	1,88,886	Permanent	10th Pass	10 years	2017	37	Sagar gems	-	-

## ANNEXURE-5 TO DIRECTORS' REPORT

**Details on conservation of energy, technology absorption, Foreign exchange earnings and outgo (Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014)**

### **A. CONSERVATION OF ENERGY:**

i The company is engaged in manufacturing of diamonds and jewellery and its operation do not account for substantial energy consumption. The Company continues its efforts to reduce and optimise the use of energy consumption at its manufacturing facilities by installing hi-tech energy monitoring and conservation systems to monitor usage, minimise wastage and increase overall efficiency at every stage of power consumption. Use of LED lamps was initiated to replace CFL Bulbs and save on energy cost and conserve the same.

ii. The energy conservation measures taken are given as under: The activity of the Company does not require large scale consumption of energy. Hence, the Company has not taken any energy conservation measures. There are no additional investments and proposals, for reduction of consumption of energy.

### **B. TECHNOLOGY ABSORPTION**

The Company carries out general Research and Development in the manufacture of Jewellery as per international standards, in developing new range of products, manufacturing process etc.

**I. Efforts made towards technology absorption: NIL**

**II. Benefits derived: NIL**

**III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): N.A.**

a. Details of Technology: N.A.

b. Year of Import: N.A.

c. Whether the technology has been fully absorbed: N.A.

d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

**IV. Expenditure incurred on Research and Development: NIL**

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During period under review, the Company has successfully exported Diamonds & jewellery to Hong Kong.  
(Rs. in Lakhs)

<b>Particulars</b>	<b>As at 31/03/2022</b>	<b>As at 31/03/2021</b>
Foreign Exchange Earning	4,83,997.04	1,86,879.39
Foreign Exchange Outgo	4,48,175.57	1,74,668.65

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **World Economy:**

The world economy was devastated by COVID-19 in the year 2020. The infection caused unprecedented health damage to the world population. Later, with the vaccines and other measures, we have controlled the pandemic to a great extent. Everyone felt 2021 was the year of rebound. Then, all of a sudden came the Russia-Ukraine conflict. The special military operation by Russia, which began in February 2022, was expected to end in days or weeks but has been continuing even after months and resulted in a costly humanitarian crisis.

The lingering effects of COVID-19 and the geopolitical conflict led to the scarcity of fuel and food grains and supply chain difficulties. Resultantly, the world is experiencing high inflation and the vulnerable populations in low-income countries were hit the hardest.

Against this backdrop, there is no surprise that International Monetary Fund ("IMF") phrased the tagline 'War Sets Back the Global Recovery' in its April 2022 report on World Economic Outlook.

In 2020, impacted by Covid-19, the global output shrunk by 3.1%. It steeply improved to 6.1% in 2021. In January 2022, before the Russia-Ukraine war broke out, IMF projected global growth for 2022 at 4.4%. In April 2022, after Russia's raid on Ukraine, IMF trimmed its estimated growth to 3.6%.

### **Indian Economy:**

IMF trimmed India's growth rate also. In January 2022, IMF estimated India's growth at 9%, but it reduced its growth rate to 8.2% in April 2022. It is 70 bps lower than the 8.9% growth achieved in 2021. However, even after trimming, India's growth rate is still higher than the global average. The reasons for this include India's ability to import crude oil from Russia even after the war on Ukraine. On the policy front, India Production Linked Incentives (PLI) scheme has been driving investments in the green energy, semiconductor, white goods, and electric vehicle industries. The government has been pushing for the indigenisation of defence supply production. RBI has been taking measures for the digitization of financial transactions. The creation of infrastructure is being given priority. Such government actions and the favourable effect of monsoon on agriculture are expected to help India sail smoothly even in turbulent times.

Though inflation has been on the rise in the calendar year 2022. RBI's latest projection, in June 2022, is 6.7% inflation for FY 2022-23. This projection is on the assumption that the monsoon would be normal, and the average crude oil price (Indian basket) would be around USD 105 per barrel. Actual inflation might move in tandem with changes in these underlying assumptions. Besides, the RBI also laid down the GDP growth projections at 7.2 % for FY2022-23.

### **Gems and Jewellery Industry review:**

Gems and Jewellery comprises of the following sub-sectors:

- Diamonds
- Gemstones
- Pearl
- Gold, Silver and Platinum Jewellery

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7.5% of the country's GDP and employs more than 5 million of skilled and semi-skilled workforce in the country. The sector contributes about 10-12% of India's total merchandise exports, accounting for the third largest commodity share. During 2021-22, the gems and jewellery exports played an instrumental role in growing India's overall exports to US\$ 419 billion with a growth of 44% from 2020-21 and 34% from 2019-20.



The Government of India, along with all the stakeholders of gems and jewellery sector, is well committed towards aggressively promoting exports, identifying challenges and addressing them with necessary interventions, assisting exporters, especially SME units, and exploring new markets while consolidating existing ones. With strong growth prospects, the government of India has also declared the gems & jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.

India majorly exports cut & polished diamonds, lab-grown synthetic diamonds, colored gemstones, synthetic stone, plain and studded gold jewellery, silver & platinum jewellery, imitation jewellery and articles of gold, silver and others.

Western Region is key exporting hub for the gems and jewellery industry contributing almost 77% of the total exports in 2021-22. Surat, a city of Gujarat state in the western region of India has more than 450 organised jewellery manufacturers, importers & exporters, making it the jewellery manufacturing hub of the world.

India is the world's largest cutting and polishing centre for diamonds, with the cutting and polishing industry being well supported by government policies. Moreover, India exports 75% of the world's polished diamonds, as per statistics from the Gems and Jewellery Export promotion Council (GJEPC). India's Gems and Jewellery sector has been contributing in a big way to the Country's Foreign Exchange Earnings (FEEs). The Government of India has viewed the sector as a thrust area for export promotion. The Indian government presently allows 100% Foreign Direct Investment (FDI) in the sector through the automatic route.

Cut & Polished Diamonds is the largest exported commodity within gem and jewellery sector with exports valued at US\$ 24.2 billion for 2021-22. The Department of Commerce has set a gems and jewellery exports target of US\$ 45.7 billion for 2022-23. The department is committed to enabling exporters by providing a conducive trade environment by bringing up trade-friendly policies to boost exports.

The Government of India has reduced import duty on cut and polished diamonds to 5% from 7.5%. This reduction will help in strengthening the sector and retain its leadership position.

### **Industry Trend – Diamond Jewellery:**

- Increasing demand for precious gem stones: Changing preferences of young people from gold to coloured gemstone, platinum and palladium jewellery.
- Multiple occasions for purchase: Women are buying diamond jewellery for occasions other than marriage.
- Focus on technology: Emergence of new manufacturing techniques.
- Changing demographics impacting demand: Bridal diamond jewellery is the foundation of industry, but product popular with millennial is helping to spur growth.
- Growth of lab created diamonds: Also known as synthetic diamonds, artificial diamonds, cultivated diamonds or cultured diamonds.
- Focus on Quality: Introduction of cumulative FDI (in \$) in diamond and gold ornaments stricter quality norms and hallmarking.

**Opportunities and Threats:****(a) Opportunities/Strength**

- Induction of widely experienced and specialized personnel on the Board.
- Good combination of technical as well as advisory personnel in the management.
- More and more benefits and exemptions are likely to come in the way of exports and Special Economic Zones and the Company, having commendable exports and being situated in SEZ, is likely to receive the advantage of the same.
- Some of the world retail majors have decided sometime back to source part of their requirements from India. This shall further the growth of the Diamond industry in India.

**(b) Threats**

- **Fast-changing Fashion Trends**

Jewellery being a vital fashion and lifestyle statement, demands the players to be more agile, and responsive to the constantly evolving trends and consumer preferences.

- **Regulatory Framework**

Changes in regulation and stringent compliance may cause temporary blip in sales during the transition period.

- **Liquidity Crisis**

The industry is highly capital intensive in nature with long working capital cycles, owing to the long conversion cycle from procurement of rough diamonds to sale of polished stock. It is required to maintain high levels of inventory at all points in time to service its client's orders in a timely manner. Strength of the balance sheet and access to easy credit is often required to facilitate and sustain ease in operations.

**Risks and Concerns:**

- 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-edge 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.

**Company Overview:**

The Company is a part of an Industry, which largely operates through unorganized constituents. However, unlike the industry, the Company has attempted to operate through as systematic and organized manner as possible. However, since Diamonds and Jewellery is one industry, in which India holds, commendable position in the world, akin to the software industry, one can look forward to more international involvement coming up in this industry.

With a combination of skilled craftsmen, world-class manufacturing facility and technology and strong focus on innovation, the Company manufactures unique and high quality products meeting highest quality standards.

The Company leverages its strong team of creative designers and skilled craftsmanship along with the modern research and computer-aided design to deliver products matching the latest trends and consumer preferences. The Company invests in training designers, mapping international trends and evolving global styles. Company also sources designs from international market where required to compliment its own collection. This ensures designers are well informed about world trends, and local tastes and preferences before introducing new styles and continue to launch new collection ahead of the market trends, year-on-year.

As a public limited entity, the Company's focus is also on good corporate governance, infusing high levels of transparency in reporting, undertaking stakeholder focused initiatives and imbibing ethical business practices.

**Highlights of Performance:**

The Company has done reasonable in the current year and expects to achieve a really good percentage of market share in the Diamond manufacturing and Jewellery marketing fields. The outlook for the Company can therefore be termed as optimistic and expects higher growth than inflation and average growth in the industry.

- In 2021-22, an all-time high Net Sale of Rs. 6,25,743.47 lakhs, a growth of 120.70% from Rs. 2,83,518.79 lakhs in 2020-21.
- In 2021-22, an all-time high EBITDA (before exceptional items) of Rs. 3,659.27 lakhs, a growth of 203.49% from Rs. 1,205.73 lakhs in 2020-21.
- In 2021-22, all time High Profit before tax at Rs. 3,501.47 lakhs, a growth of 217.22% from Rs.1,103.77 lakhs in 2020-21.
- In 2021-22, Net Profit after Tax was higher at Rs.2,907.68 lakhs from Rs. 885.85 lakhs in 2020-21.
- In 2021-22, all time High EPS recorded at Rs.23.00 a growth of 228.10% from Rs.7.01 in 2020-21.
- In 2021-22 Export of Rs. 4,83,997.04 lakhs against export revenue recorded of Rs. 1,86,879.39 lakhs in the 2020-21.

**Changes in Key Financial Ratios:**

Pursuant to provisions of Regulation 34 (3) of SEBI (LODR) Regulation, 2015 read with Schedule V part B(1) details of changes in Key Financial Ratios are provided in note 34 of financial Statements.

**Audit and Internal Control System:**

Sagar Diamonds has well-established processes and clearly-defined roles and responsibilities for people at various levels. This, coupled with adequate internal information systems embedded in business automation software, ensures proper information flow for the decision-making process. An internal audit conducted by an independent firm, reviews by the Audit Committee, and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information. These procedures ensure that all transactions are properly reported and classified in the financial records.

**Human Resources & Industrial Relation:**

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. The industrial relations within the Company have remained harmonious throughout the year.

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**Cautionary Statement:**

The statements in the "Management Discussion and Analysis Report" section describes the company objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

## **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, 2022, 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, 2022, 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 3,58,389.38 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, 2022.

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><b>Existence of closing inventory and its valuation</b></p> <p>The company has recognized inventory of INR 68,155.26 Lakh at March 31, 2022. Inventories are held by company. We focused on this matter because of:</p> <ol style="list-style-type: none"> <li>a. Significance of the inventory balance.</li> <li>b. Complexity involved in determining valuation.</li> </ol>	<p>Our audit procedure for this area included:</p> <ul style="list-style-type: none"> <li>- Testing the company's control by checking approvals over cost, selling price and inventory accounting.</li> <li>- Testing of valuation of inventory as per accounting standard.</li> <li>- We attended inventory physical count on the reporting date. We have carried out following procedure:                             <ol style="list-style-type: none"> <li>a. 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.</li> <li>b. Made inquiries regarding damage, non-moving and obsolete inventory items.</li> </ol> </li> </ul> <p>No significant exception noted on these process.</p>
2	<p><b>Receivables, Payables and Advances</b></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"> <li>- Analyzed aging at yearend.</li> <li>- In respect to material trade receivables, payable and advance balance outstanding at March 31, 2022, 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.</li> <li>- In respect of material balances, inspected relevant documents and correspondence with parties, wherever available.</li> <li>- 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.</li> </ul> <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, 2022, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (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 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 G B & Co.,  
Chartered Accountants  
ICAI Firm Reg. No. : 139110W**

**Gopal S. Baldi  
Partner  
Membership No. : 125930  
UDIN: 22125930AKTQWH8862**

**Place: Surat  
Date: May 24,2022**

**“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 31,2022 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 148(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, 2022 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.
- (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 G B & Co.,  
Chartered Accountants  
ICAI Firm Reg. No. : 139110W**

**Gopal S. Baldi  
Partner  
Membership No. : 125930  
UDIN: 22125930AKTQWH8862**

**Place: Surat  
Date: May 24,2022**



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

**For G B & Co.,  
Chartered Accountants  
ICAI Firm Reg. No. : 139110W**

**Gopal S. Baldi  
Partner  
Membership No. : 125930  
UDIN: 22125930AKTQWH8862**

**Place: Surat  
Date: May 24,2022**

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

Particulars	Note	As at March 31,2022 (Rs. In lakhs)	As at March 31,2021 (Rs. In lakhs)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
(a) Share Capital	3	1,264.38	1,264.38
(b) Reserves & Surplus	4	7,736.99	4,829.31
		<b>9,001.37</b>	<b>6,093.69</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	5	84.49	439.80
(b) Long Term Provisions	6	6.19	-
(c) Deferred Tax Liability (Net)	7	-	27.67
		<b>90.68</b>	<b>467.47</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	154.94	65.99
(b) Trade Payables	9	2,13,333.50	1,11,344.96
(c) Other Current Liabilities	10	6,09,149.96	4,26,766.61
(d) Short-term Provisions	6	0.31	232.34
		<b>8,22,638.71</b>	<b>5,38,409.90</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>8,31,730.76</b>	<b>5,44,971.06</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	11		
(i) Tangible Assets		769.64	535.42
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		-	54.40
		<b>769.64</b>	<b>589.82</b>
(b) Non-Current Investment		-	-
(c) Deferred Tax Asset (Net)	7	2.32	-
(d) Long Term Loans & Advances	12	26.22	21.22
(e) Other Non Current Assets		-	-
		<b>798.18</b>	<b>611.04</b>
<b>(2) Current Assets</b>			
(a) Current Investment		-	-
(b) Inventories	13	68,155.26	30,485.62
(c) Trade Receivables	14	7,57,809.79	3,78,643.42
(d) Cash & Cash Equivalents	15	1,320.93	749.13
(e) Short-term Loans & Advances	12	3,646.60	1,34,481.85
		<b>8,30,932.58</b>	<b>5,44,360.02</b>
<b>TOTAL ASSETS</b>		<b>8,31,730.76</b>	<b>5,44,971.06</b>

<b>Particulars</b>	<b>Note</b>	<b>As at March 31,2022 (Rs. In lakhs)</b>	<b>As at March 31,2021 (Rs. In lakhs)</b>
Summary of Significant Accounting Policies	2.1		
Notes to accounts	3-37		

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

As per our report of even date attached

**For G B & Co.**  
**Chartered Accountants**  
**Sd/-**  
**(Gopal S. Baldi)**  
**Partner**  
**M.No. 125930**  
**FRNo. 139110W**

**For Sagar Diamonds Limited**  
**Vaibhav Shah - Managing Director & CFO**  
**Saurin Rasiklal Shah- Director**

**Place : Surat**  
**Date : May 24, 2022**

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON  
MARCH 31, 2022**

Particulars	Note	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
I. Revenue from Operations (Net)	16	6,25,743.47	2,83,518.79
II. Other Income	17	23,301.51	20.42
<b>III. Total Revenue (I + II)</b>		<b>6,49,044.98</b>	<b>2,83,539.21</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	18	4,48,175.57	1,74,668.65
Purchase of Stock in trade	19	1,98,634.12	1,04,268.80
Changes in Inventories of Finished Goods, work-in-progress and Stock in trade	20	(2,149.83)	-
Employee Benefit Expenses	21	216.68	179.21
Finance cost	23	87.16	77.00
Depreciation and Amortization expenses	11	70.64	24.96
Other Expenses	22	509.17	3,216.82
<b>Total Expenses</b>		<b>6,45,543.51</b>	<b>2,82,435.44</b>
V. Profit before exceptional, extra ordinary items and tax (III - IV)		<b>3,501.47</b>	<b>1,103.77</b>
VI. Exceptional Items		-	-
VII. Profit before extra ordinary items and tax (V-VI)		<b>3,501.47</b>	<b>1,103.77</b>
VIII. Extra ordinary items		-	-
IX. Profit before tax (VII - VIII)		<b>3,501.47</b>	<b>1,103.77</b>
X. Tax Expense			
(i) Current Tax		623.78	207.34
(ii) Deferred Tax		(29.99)	10.59
XI. Profit/(Loss) for the period from continuing operations (IX - X)		<b>2,907.68</b>	<b>885.84</b>
XII. Profit/(Loss) from Discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>2,907.68</b>	<b>885.84</b>
XVI. Earnings Per Equity Share	24		
(I) Basic		23.00	7.01
(II) Diluted		23.00	7.01
<b>Summary of Significant Accounting Policies</b>	<b>2.1</b>		
<b>Notes to accounts</b>	<b>3-37</b>		

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

As per our report of even date attached

**For G B & Co.**

**Chartered Accountants**

**Sd/-**

**(Gopal S. Baldi)**

**Partner**

**M.No. 125930**

**FRNo. 139110W**

**For Sagar Diamonds Limited**

**Vaibhav Shah - Managing Director & CFO**

**Saurin Rasiklal Shah- Director**

**Place : Surat**

**Date : May 24, 2022**

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2022

Particulars	For Year 2021-22 (Rs. In lakhs)	For Year 2020-21 (Rs. In lakhs)
<b>Cash Flows from Operating Activities :</b>		
Net Profit Before Tax and Extra Ordinary Items	3,501.48	1,103.78
<b>Add/(Less) Adjustment For</b>		
Depreciation	70.64	24.96
Interest on Bank Deposits	(42.17)	(20.42)
Finance Cost	87.16	77.00
Discount / ERF on Export Bill	-	(26,009.41)
<b>Operating profit before working capital changes</b>	<b>3,617.11</b>	<b>(24,824.09)</b>
<b>Movement in working Capital :</b>		
Increase/(Decrease) in Long Term Provisions	6.19	-
Increase/(Decrease) in Trade Payables	1,01,988.54	78,079.54
Increase/(Decrease) in other current Liabilities	1,82,383.35	4,22,939.96
Increase/(Decrease) in Long Term Advances	(4.99)	-
Increase/(Decrease) in Trade Receivables	(3,79,166.37)	(3,45,721.96)
Increase/(Decrease) in Inventories	(37,669.65)	(10.28)
Increase/(Decrease) in other current assets	1,30,835.24	(1,30,593.27)
<b>Net cash from operating activities before income tax</b>	<b>1,989.42</b>	<b>(130.10)</b>
Direct taxes paid [Net of refunds]	615.63	(52.54)
<b>Net Cash flow from (Used in ) operating Activities (A)</b>	<b>1,373.79</b>	<b>(77.56)</b>
<b>Cash Flows from Investing Activities :</b>		
Purchase of Fixed assets including work-in-progress	(390.47)	173.22
Interest on Bank Deposits	42.17	20.42
Sale / [Purchase] of investment	-	703.53
<b>Net Cash flow from (Used in ) in Investing Activities (B)</b>	<b>(348.30)</b>	<b>897.17</b>
<b>Cash Flows from Financial Activities :</b>		
Proceeds From Borrowing	-	63.61
Repayment Of Borrowing	(355.32)	(70.59)
Interest Paid	(87.16)	(87.22)
<b>Net Cash flow from (Used in ) in Financial Activities (C)</b>	<b>(442.48)</b>	<b>(94.20)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>583.01</b>	<b>725.41</b>
Cash and cash equivalents at beginning of period	737.92	12.51
<b>Cash and cash equivalents at end of period (refer note 15)</b>	<b>1,320.93</b>	<b>737.92</b>

Summary of significant accounting policies

2.1 & 3-27

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 attached

For G B & Co.

Chartered Accountants

Sd/-

(Gopal S. Baldi)

Partner

M.No. 125930

FRNo. 139110W

For Sagar Diamonds Limited

Vaibhav Shah - Managing Director & CFO

Saurin Rasiklal Shah- Director

Place : Surat

Date : May 24, 2022



**Notes to the Standalone Financial Statements for the year ended March 31, 2022****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.

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 yearend 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.

**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:

- a. Additional disclosure for shareholding of promoters.
- b. Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- c. 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.
- d. Additional disclosures relating to undisclosed income.

**3 Share Capital**

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
<b>Authorized Share Capital</b>		
1,35,00,000 (P.Y 1,35,00,000) Equity Shares of Rs. 10/- each	1,350.00	1,350.00
<b>Total Authorised Share Capital</b>	<b>1,350.00</b>	<b>1,350.00</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
1,26,43,780 (P.Y 126,43,780) Equity Shares of Rs. 10/- each	1,264.38	1,264.38
<b>Total Issued, subscribed and fully paid-up share capital</b>	<b>1,264.38</b>	<b>1,264.38</b>

**(a) Reconciliation of shares outstanding at the beginning and at the end of reporting period**

Equity	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount (Rs. In lakhs)	No. of Shares	Amount (Rs. In lakhs)
Equity Shares at the beginning	1,26,43,780	1,264.38	1,26,43,780	1,264.38
Add/less during the year	-	-	-	-
Equity Shares Outstanding at the end	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% of Aggregate shares in the Company**

Name of Shareholders	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of holding	No. of Shares	% of holding
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, 2022**

Sr. No.	Promoters Name	Class of Shares	No. 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	-

**(e) Details of shareholding of Promoters in the company as at March 31, 2021**

Sr. No.	Promoters Name	Class of Shares	No. 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 & Surplus

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
<b>Securities Premium</b>	<b>1,183.35</b>	<b>1,183.35</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	3,645.96	2,760.12
Amount transferred from statement of P&L (Profit for year)	2,907.68	885.84
<b>Sub-total</b>	<b>6,553.64</b>	<b>3,645.96</b>
<b>Total</b>	<b>7,736.99</b>	<b>4,829.31</b>

#### 5 Long Term Borrowing

Particulars	Non-current portion		Current maturities	
	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
<b>Term Loan</b>				
Inter Corporate Deposit	19.82	313.81	-	-
Against hypothecation of vehicle	64.67	125.99	61.87	65.99
<b>Sub- Total</b>	<b>84.49</b>	<b>439.80</b>	<b>61.87</b>	<b>65.99</b>
<b>The above amount includes</b>				
Secured borrowings	64.67	125.99	61.87	65.99
Unsecured borrowings	19.82	313.81	-	-
Amount disclosed under the head "short term borrowings" (note 8)	-	-	(61.87)	(65.99)
<b>Net Amount</b>	<b>84.49</b>	<b>439.80</b>	<b>-</b>	<b>-</b>

- 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

Particulars	Long Term		Short Term	
	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Provision for gratuity	6.19	-	-	-
Provision of income tax (net of advance tax)	-	-	0.31	232.34
<b>Total</b>	<b>6.19</b>	<b>-</b>	<b>0.31</b>	<b>232.34</b>

#### 7 Deferred Tax Liability/(Assets)

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Expenditure will be allowed in the year of payment	(2.32)	-
Depreciation	-	27.67
<b>Total</b>	<b>(2.32)</b>	<b>27.67</b>

**8 Short-term Borrowings**

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Current maturities of long-term borrowings (note 5)	61.87	65.99
Bank overdraft	93.07	-
<b>Total</b>	<b>154.94</b>	<b>65.99</b>
<b>The above amount includes</b>		
<b>Secured borrowings</b>	<b>154.94</b>	<b>65.99</b>

Bank overdraft is secured against fixed deposit & carries interest @ 7.1 % p. a.

**9 Trade Payables**

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Total outstanding dues of Micro Enterprises & Small Enterprises (refer note no 30)		
Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	2,13,333.50	1,11,344.96
<b>Total</b>	<b>2,13,333.50</b>	<b>1,11,344.96</b>

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022 (Rs. In lakhs)					
	NOT DUE	< 1 year	1-2 years	2-3 years	> 3 years	Total
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	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,72,816.47</b>	<b>1,403.45</b>	<b>33,073.96</b>	<b>6,039.62</b>	<b>2,13,333.50</b>

Particulars	Outstanding for following periods from due date of payment as at March 31, 2021 (Rs. In lakhs)					
	NOT DUE	< 1 year	1-2 years	2-3 years	> 3 years	Total
MSME	-	-	-	-	-	-
Others	-	72,058.15	28,765.11	6,872.75	3,648.95	1,11,344.96
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>72,058.15</b>	<b>28,765.11</b>	<b>6,872.75</b>	<b>3,648.95</b>	<b>1,11,344.96</b>

**10 Other Current Liabilities**

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Statutory liabilities	161.95	17.07
Advance received from customers	6,08,988.01	4,26,749.54
<b>Total</b>	<b>6,09,149.96</b>	<b>4,26,766.61</b>



**11 Property, Plant and Equipments**

(Rs. In lakhs)

Particulars	Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Computer	Total
<b>Gross Block</b>							
As at March 31, 2021	25.09	79.04	40.72	32.81	404.13	14.72	596.51
Additions	-	80.61	40.96	63.04	117.40	2.85	304.86
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>25.09</b>	<b>159.65</b>	<b>81.68</b>	<b>95.85</b>	<b>521.53</b>	<b>17.57</b>	<b>901.37</b>
<b>Depreciation</b>							
As at March 31, 2021	-	5.94	32.38	4.82	13.89	4.06	61.09
Charge for the year	-	4.00	4.08	5.86	51.76	4.94	70.64
Disposals	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>9.94</b>	<b>36.46</b>	<b>10.68</b>	<b>65.65</b>	<b>9.00</b>	<b>131.73</b>
<b>Impairment Loss</b>							
As at March 31, 2021	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Block:</b>							
<b>As at March 31, 2022</b>	<b>25.09</b>	<b>149.71</b>	<b>45.22</b>	<b>85.17</b>	<b>455.88</b>	<b>8.57</b>	<b>769.64</b>
As at March 31, 2021	25.09	73.10	8.34	27.99	390.24	10.66	535.42

- Vehicles include vehicles amounting to INR 521.53 Lakh (P.Y. INR 318.53 Lakh) which are held in the name of Director of the company.
- All immovable properties are held in the name of the Company.
- All CWIP during the year has capitalised in respective head of asset and CWIP balance at March 31, 2022 is Rs. Nil.
- All above projects/Plant & Machinery are within expected cost and timeline.

**12 Loans & Advances**

Particulars	Long Term		Short Term	
	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
<b>(A) Security deposit</b>				
Unsecured, considered good	26.22	21.22	-	-
<b>Total (A)</b>	<b>26.22</b>	<b>21.22</b>	<b>-</b>	<b>-</b>
<b>(B) Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	1,047.12	2,292.96
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>1,047.12</b>	<b>2,292.96</b>

<b>(C) Other loans and advances</b>				
Prepaid expenses	-	-	1.28	0.45
Loans to employees	-	-	2.96	12.51
Advance given to suppliers	-	-	2,252.82	1,31,991.18
Balances with government authorities	-	-	342.42	184.75
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>2,599.48</b>	<b>1,32,188.89</b>
<b>Total (A)+(B)+(C)</b>	<b>26.22</b>	<b>21.22</b>	<b>3,646.60</b>	<b>1,34,481.85</b>

There are no loans or advances in the nature of loans 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:

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

### 13 Inventories

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Raw Material	64,342.44	22,015.16
Work-in-process	1,078.82	-
Finished Goods	1,071.01	-
Stock-in-trade	1,662.99	8,470.46
<b>Total</b>	<b>68,155.26</b>	<b>30,485.62</b>

### 14 Trade Receivables

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	2,44,938.46	1,36,296.31
- Doubtful	-	-
<b>Total (A)</b>	<b>2,44,938.46</b>	<b>1,36,296.31</b>
Other receivables		
- Unsecured, considered good	5,12,871.33	2,42,347.11
<b>Total (B)</b>	<b>5,12,871.33</b>	<b>2,42,347.11</b>
<b>Total (A+B)</b>	<b>7,57,809.79</b>	<b>3,78,643.42</b>

Particulars	Outstanding for following periods from due date of payment as at March 31, 2022 (Rs. In lakhs)						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	1,81,351.84	1,30,074.13	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	-	-	-	-	-	-	-
<b>Total Trade receivable</b>	-	<b>2,44,938.46</b>	<b>1,81,351.84</b>	<b>1,30,074.13</b>	<b>1,55,939.63</b>	<b>45,505.73</b>	<b>7,57,809.79</b>

Particulars	Outstanding for following periods from due date of payment as at March 31, 2021 (Rs. In lakhs)						
	Not Due	< 6 months	6 month-1 yr	1-2 years	2-3 years	> 3 years	Total
Undisputed trade receivables - Considered good	-	1,36,296.31	66,414.32	1,28,419.56	47,050.79	462.44	3,78,643.42
Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-	-
<b>Total Trade receivable</b>	-	<b>1,36,296.31</b>	<b>66,414.32</b>	<b>1,28,419.56</b>	<b>47,050.79</b>	<b>462.44</b>	<b>3,78,643.42</b>

**15 Cash and Cash Equivalents**

Particulars	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Balances with banks on current accounts	1,202.55	731.98
Balances with banks on deposit accounts	114.24	11.21
Cash on hand	4.14	5.94
<b>Total</b>	<b>1,320.93</b>	<b>749.13</b>

**16 Revenue from Operations**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
Sale of Products	6,25,743.47	2,83,518.79
<b>Total</b>	<b>6,25,743.47</b>	<b>2,83,518.79</b>

**17 Other Income**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
Interest Income		
- Bank Deposit	3.38	0.33
- Others	38.79	20.09
Foreign exchange rate difference	23,259.34	-
<b>Total</b>	<b>23,301.51</b>	<b>20.42</b>

**18 Cost of Materials Consumed**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
<b>Inventory at the beginning of the year</b>	22,015.16	6,426.63
Add: Purchases	4,90,502.85	1,90,257.18
Less: Inventory at the end of the year	64,342.44	22,015.16
<b>Total Cost of Raw Material Consumed</b>	<b>4,48,175.57</b>	<b>1,74,668.65</b>

**19 Purchases of Goods traded**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
Purchase of goods traded	1,98,634.12	1,04,268.80
<b>Total</b>	<b>1,98,634.12</b>	<b>1,04,268.80</b>

**20 (Increase)/ decrease in inventories of finished goods, work-in-progress**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
<b>Inventory at the end of the year</b>		
Work-in-process	1,078.82	-
Finished Goods	1,071.01	-
<b>Sub Total</b>	<b>2,149.83</b>	<b>-</b>
<b>Inventory at the beginning of the year</b>		
Work-in-process	-	-
Finished Goods	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(2,149.83)</b>	<b>-</b>

**21 Employee Benefit Expenses**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
Salary, Wages & Bonus	201.95	172.46
Contribution to fund	0.29	-
Gratuity expenses	6.19	-
Staff Welfare expense	8.25	6.75
<b>Total</b>	<b>216.68</b>	<b>179.21</b>

**22 Other Expenses**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
Power expenses	5.20	3.16
Rent Expenses	28.21	8.27
Freight & forwarding expenses	116.76	56.96
Travelling & Conveyance	27.26	8.82
Legal & Professional expenses	98.64	81.30
Repairs and maintenance	41.76	6.06
Insurance	7.72	1.97
Selling & Promotion Expenses	12.22	69.67
Payment to auditor (Refer details below)	12.00	12.00
CSR Expense	27.50	18.00
Foreign exchange rate difference	-	2,860.49
Miscellaneous expenses	131.90	90.12
<b>Total</b>	<b>509.17</b>	<b>3,216.82</b>

**Payment to Auditor**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
Audit Fees	12.00	12.00
<b>Total</b>	<b>12.00</b>	<b>12.00</b>

**23 Finance Cost**

Particulars	For Year Ended on 31-03-2022 (Rs. In lakhs)	For Year Ended on 31-03-2021 (Rs. In lakhs)
<b>Interest cost:</b>		
- On Term Loan	13.73	11.10
- On Others	10.28	21.59
Bank charges	63.15	44.31
<b>Total</b>	<b>87.16</b>	<b>77.00</b>

**24 Earnings Per Share (EPS)**

The following reflects the profit and share data used in the basic EPS computations:

Particulars	For Year Ended on 31-03-2022	For Year Ended on 31-03-2021
Net profit for calculation of basic and diluted EPS (Rs. in lakhs)	2,907.69	885.85
Weighted average number of equity shares in calculating basic EPS	1,26,43,780	1,26,43,780
<b>Basic and diluted EPS in INR</b>	<b>23.00</b>	<b>7.01</b>

**25** Unsecured Trade receivables includes Rs. 3,58,389.38 Lakh outstanding beyond one year, which are being pursued for recovery by the Company. In the opinion of the Management, no allowance/ provision are required for above receivables and they are considered good and fully recoverable.

**26** Due to ongoing COVID-19 pandemic, the Company has made assessment of recoverability of the Company's assets such as Trade receivables, loans and advances and Inventories, the Company has considered internal and external information up to the date of approval of these financial results. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

**27 Gratuity and other post-employment benefit plans**

Company has made provision for payment of gratuity based on actuarial valuation using the Projected Unit Credit method of INR 6.19 Lakh [PY INR Nil] respectively at the year end.

Contribution, to defined contribution scheme such as Provident Fund is charged to the profit and loss account as incurred.

**28 Related party disclosures**

Names of related parties and related party relationship

**Related parties with whom transactions have taken place during the year**

Name	Nature of relationship & manner
Vaibhav Shah	Director, Key Managerial Personnel & Personnel exercising more than 20% voting power
Saurin Rasiklal Shah	Director & Key Managerial Personnel
Nidhi Shah	Key Managerial Personnel's Relative as wife of Vaibhav Shah
Pooja Surendra Jain	Executive Officer [Company Secretary]
RHC Global Exports Pvt. Ltd.	Enterprise significantly influenced by relative of Key Managerial Person by sharing more than 20% in profits
Saur In Autosol Energy Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person by sharing more than 20% in profits
Sagarempire Bullion Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person by sharing more than 20% in profits
Sagarempire Jewels Pvt. Ltd.	Enterprise significantly influenced by Key Managerial Person by sharing more than 20% in profits
Carbide Tool Corner	Enterprise significantly influenced by relative of Key Managerial Person sharing more than 20% in profits



**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**a. Advances given and repayment thereof**

(Rs. in Lakhs)

	For year ended	Opening Balance	Loans given / Adj.	Loan repaid / Adj.	Interest debited (net)	Closing Balance
Vaibhav Shah	31/03/2022	266.00	912.51	1,217.23	38.72	-
	31/03/2021	-	266.00	-	-	266.00

**b. Remuneration**

	For Year 2021-22 (Rs. in Lakhs)	For Year 2020-21 (Rs. in Lakhs)
Vaibhav Shah	84.00	84.00
Nidhi Shah	12.00	9.60
Pooja Surendra Jain	3.60	3.15
<b>Total</b>	<b>99.60</b>	<b>96.75</b>

**c. Purchase / Sale / Service purchase**

(Rs. in Lakhs)

	For the year	Opening Balance	Goods Purchased	Goods Sold	Payment (Receipts) net	Closing Balance
RHC Global Exports Pvt. Ltd.	31/03/2022	1,31,196.36	7,316.81	1,714.15	(1,27,326.38)	(1,732.68)
	31/03/2021	7,836.63	4,280.91	3,882.12	1,23,758.52	1,31,196.36
Sagarempire Bullion Pvt. Ltd.	31/03/2022	-	600.90	-	1,408.60	807.70
	31/03/2021	-	-	-	-	-
Carbide Tool Corner	31/03/2022	-	5.53	-	5.75	0.22
	31/03/2021	-	2.06	-	2.06	-
Nidhi Shah	31/03/2022	-	-	-	-	-
	31/03/2021	-	-	-	-	-
Saur In Autosol Energy Pvt. Ltd.	31/03/2022	-	-	-	15.00	15.00
	31/03/2021	-	-	-	-	-
Sagarempire Jewels P. Ltd.	31/03/2022	-	-	-	124.76	124.76
	31/03/2021	-	-	-	-	-
Saurin Rasiklal Shah	31/03/2022	(5.00)	62.98	-	60.00	(7.98)
	31/03/2021	-	20.00	-	15.00	(5.00)

**29 Contingent liabilities**

	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
<b>Total</b>	-	-

**30 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006**

Based on the information available with the company there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2022. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

**31 Imported and indigenous raw materials, components and spare parts consumed**

Raw Materials & Components	2021-22		2020-21	
	Value (Rs. in Lakhs)	% of total consumption	Value (Rs. in Lakhs)	% of total consumption
Imported	4,48,098.87	99.98	1,74,668.65	100.00
Indigenous	76.70	0.02	0.00	0.00
<b>Total</b>	<b>4,48,175.57</b>	<b>100.00</b>	<b>1,74,668.65</b>	<b>100.00</b>

**32 Earnings in foreign currency (accrual basis) (ending on)**

	As at 31-03-2022 (Rs. In lakhs)	As at 31-03-2021 (Rs. In lakhs)
Exports at F.O.B. Value	4,83,997.04	1,86,879.39
<b>Total</b>	<b>4,83,997.04</b>	<b>1,86,879.39</b>

**33** The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette of India on September 29, 2020, which could impact the contributions of the Company towards certain employment benefits. The effective date from which changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period of notification of the relevant provisions.

**34 Ratio Analysis**

Sr. No.	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021	Changes between Current FY & Previous FY	Formula	Explanation
1	Current Ratio	1.01	1.01	-0.10%	Current assets/ Current liabilities	-
2	Debt Equity Ratio	0.03	0.08	-67.95%	(Long Term Borrowings + Short Term Borrowings) / Net Worth	Due to repayment of instalments'
3	Debt Service Coverage Ratio	6.93	6.26	10.68%	PAT / Interest + Instalments'	-
4	Return on Equity Ratio	0.39	0.16	145.75%	Net Profit / Average of Total Equity	Ratio shows improvement during the year due to increased profit.

5	Inventory turnover ratio	12.69	18.56	-31.65%	Revenue / Average Inventory for the year	Due to increased average inventory.
6	Trade Receivables turnover ratio	1.10	1.50	-26.47%	Revenue from Operations / Average Trade Receivables	Due to increased trade receivables.
7	Trade payables turnover ratio	3.02	3.41	-11.33%	COGS & Other expense / Average Trade payables	-
8	Net capital turnover ratio	75.45	47.65	58.34%	Revenue from Operations / Working Capital	Due to increased turnover.
9	Net profit ratio	0.45%	0.31%	43.39%	Net Profit / Revenue	Due to increased revenue.
10	Return on Capital employed	38.83%	17.89%	117.05%	Earnings before interest, exceptional items and taxes / Capital Employed	Ratio shows improvement during the year mainly due to increased profit in current year.
11	Return on investment	-	-	-	-	-

### 35 Other Disclosure

- a. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- b. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.
- c. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - I. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - II. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- d. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - I. 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
  - II. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

- e. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - f. The Company does not have any transactions with companies which are struck off.
  - g. The Company has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
  - h. The Company do not have any subsidiary, so there is no requirement to comply with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- 36** Previous year's figures have been restated wherever necessary to make them comparable with current year's figures.
- 37** Previous year's figures have been audited by another firm of Chartered Accountants.

As per our report of even date attached

**For G B & Co.**  
**Chartered Accountants**  
Sd/-  
**(Gopal S. Baldi)**  
**Partner**  
**M.No. 125930**  
**FRNo. 139110W**

**For Sagar Diamonds Limited**  
**Vaibhav Shah - Managing Director & CFO**  
**Saurin Rasiklal Shah- Director**

**Place : Surat**  
**Date : May 24, 2022**

**SAGAR DIAMONDS LIMITED**

CIN NO: L36912GJ2015PLC083846

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