



E: accounts@sagardiamonds.com  
W: www.sagardiamonds.com

**Registered Office:**  
Plot No. 226-B, Sez Diamond  
Park, Sachin, Surat, (Guj.)  
PIN - 394230.  
L36912GJ2015PLC083846

**Corporate Office:**  
903, Floor 9, Embassy  
Centre,  
Nariman Point,  
Mumbai-400021



**Date: 07.09.2021**

To,

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

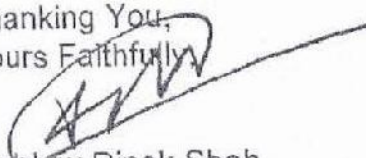
Subject: Annual Report for the financial year 2020-21

Company Name : Sagar Diamonds Limited  
Scrip Code : 540715

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 2020-21.

Kindly acknowledge the same.

Thanking You,  
Yours Faithfully

  
Vaibhav Dipak Shah  
Promoter/Director  
DIN: 03302936

  
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 Additional Director
<b>Company Secretary</b>	: Ms. Pooja Surendra Jain	
<b>Statutory Auditors</b>	: M/s. C. P. Jaria & Co., Chartered Accountant M-28, Super Tex Tower, Ring Road, Surat -395 002	
<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	

<b>CONTENTS</b>	<b>PAGE NO.</b>
Annual General Meeting Notice	5
Directors' Report	25
Annexures to Directors Report	36
Management Discussion and Analysis Report	44
Independent Auditor's Report	48
Balance Sheet	56
Statement of Profit and Loss	58
Cash Flow Statement	59
Notes to Standalone Financial Statements	61

**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.

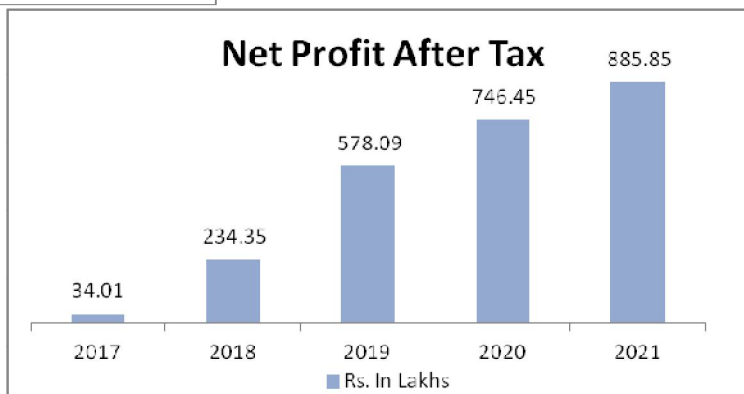
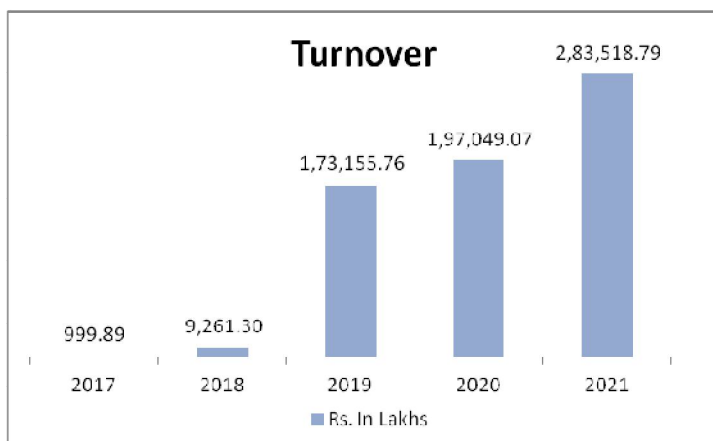
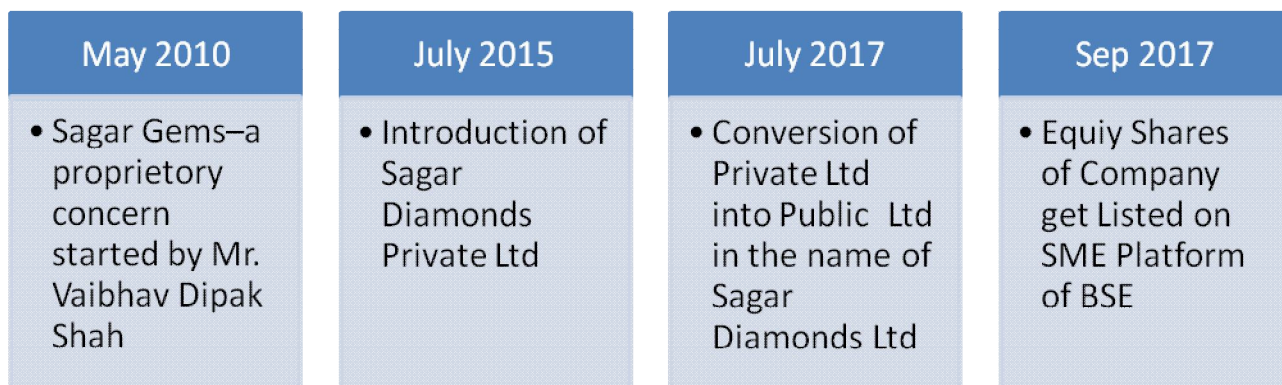
➤ **Exporting Diamond Jewellery**

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.





## **MESSAGE FROM MANAGING DIRECTOR**

Dear Shareholders,

I am extremely proud to present the 06<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.

The global pandemic caused by COVID-19 has resulted in 'the new normal', which has led to a disruption in lives, livelihoods, and businesses, worldwide. Despite the challenges posed by the pandemic, I am pleased to say that your Company has delivered competitive, profitable and remarkable growth. The Company's performance have consistently been improving year by year.

I am pleased to inform you that your company has completed successfully financial year 2020-21 with an all-time high Profit before tax at Rs. 1,103.78 lakhs, with a growth of 19.95%, from Rs.920.13 lakhs in the previous year. The Net Profit after Tax was higher at Rs.885.85 lakhs against previous year net profit of Rs. 746.45 lakhs.

During Financial year 2020-21, your Company showed remarkable performance with an all-time high net revenue from operations of Rs. 2,83,518.79 lakhs, a growth of 43.88% from Rs. 1,97,049.07 lakhs of the previous year.

During Financial year 2020-21, Your Company's Export Sales has been recorded of Rs. 1,86,826.43 lakhs against export revenue recorded of Rs. 1,57,627.77 lakhs in the previous year. Your Company has successfully exported Diamonds in its Brand name to Hong Kong and Dubai.

Details of our growth Strategies and company' performances during Financial Year 2020-21 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**  
Sd/-  
**Chairman of the Board**  
**Sagar Diamonds Limited**

## **BRIEF PROFILE OF DIRECTORS**

### **Mr. Vaibhav Dipak Shah**

*Chairman- Managing Director & CFO*

*Mr. Vaibhav shah is a successful entrepreneur who has always believed in the above quote. 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. Rahil Hitesh Chovatia**

*Non-executive Director*

*Mr. Rahil is a promising young lad who has finished his bachelor in technology and is a GIA Diamond graduate as well. His mind is an orchard full of unusual ideas backed by his reflective knowledge in technology that gives an edge to this growing empire of Sagar Diamonds.*

### **Mr. Manendra Pratap Singh**

*Independent Director*

*Mr. Manendra Pratap Singh is a Master of Arts by qualification. He has 12 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 7 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 5 years of experience in the field of Designing and Marketing.*

### **Mr. Saurin Rasiklal Shah**

*Additional 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 **06th ANNUAL GENERAL MEETING** of members of "SAGAR DIAMONDS LIMITED " will be held on **Thursday, the 30<sup>th</sup> Day of September, 2021** 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, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
2. To re-appoint a director in place of Mr. Vaibhav Dipak Shah (DIN: 03302936), 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 to fill casual vacancy and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), 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. G B & Co., Chartered Accountants (Firm Registration No. 139110W), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/S. C.P. Jaria & Co., Chartered Accountants (Firm Registration No. 104058W).

**RESOLVED FURTHER THAT** M/S. G B & Co., Chartered Accountants (Firm Registration No. 139110W), be and are hereby appointed as Statutory Auditors of the Company to hold the office from August 30,2021, until the conclusion of the 06th Annual General Meeting of the Company, 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."

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

To consider and if thought fit, to pass with or without modification(s), 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. G B & Co., Chartered Accountants (Firm Registration No. 139110W), be and are hereby appointed as the Statutory Auditor of the Company for a period of 5 (five) consecutive years (Financial year 2021-2022 to Financial Year 2025-2026) commencing from the conclusion of this 06 Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company to be held in the year 2026 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."

5. To consider appointment of Mr. Saurin Rasiklal Shah (DIN: 05329991) as Non-Executive Non-Independent Director.

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

**"RESOLVED THAT** Mr. Saurin Rasiklal Shah (DIN: 05329991) who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 11, 2020, in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, as per the provisions of Section 160 of the Companies Act, 2013, proposing Mr. Mr. Saurin Rasiklal Shah, as a candidate for the office of Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company and whose office shall be liable to retire by rotation."

6. To increase overall managerial remuneration of the Company.

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

**"RESOLVED THAT** in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of the Company made in its respective meetings held on June 30, 2021, approval of the Members of the Company be and is hereby accorded to increase the overall limit of managerial remuneration payable by the company in respect of any financial Year from 11% (eleven percent) to 25% (twenty-five Percent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

7. To approve the increase in the managerial remuneration of Mr. Vaibhav Dipak Shah (DIN: 03302936), the Managing Director of the Company.

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

**"RESOLVED THAT** in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, consent of the members of the company be and is hereby accorded for payment of managerial remuneration to Mr. Vaibhav Dipak Shah, Managing Director of the company from 01st April, 2020 till remainder of duration of his tenure in such manner as may be mutually agreed in excess of 5% (five percent) of net profit computed under Section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution."

8. To approve increase in remuneration to Non-executive Directors.

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

**"RESOLVED THAT** Pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee, approval of the members of the Company, be and is hereby accorded for payment of remuneration by way of commission or otherwise, excluding the fees payable to them for attending the meeting of the Board or Committee(s) thereof, to Non executive directors of the Company, who are not managing or whole-time directors, in excess of 3% (three percent) of the net profits of the Company, computed in accordance with the Section 198 of the Act and that the total managerial remuneration payable to all the directors of the Company in any financial year not exceeding the limits prescribed from time to time and within limit as approved by members under Section 197 and other applicable provisions of the Act and the said remuneration be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution."

9. Re-appointment of Mr. Vaibhav Dipak Shah (DIN: 03302936), as Managing Director of the Company w.e.f. July 08, 2022.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the re-appointment of **Mr. Vaibhav Dipak Shah (DIN: 03302936)**, as Managing Director of the Company for a period of 5 (five) consecutive years as per the following terms:

- a) **Term of Appointment:** With effect from July 08, 2022 till July 07, 2027.
- b) **Basic Salary** : Rs. 12,00,000 (Rupees Twelve lakhs) per month with such increments as the board may decide from time to time.
- c) **Commission** : Performance based commission shall be payable to Mr. Vaibhav Shah, Managing Director of the Company depending upon the availability of the Net Profit and that the said performance based commission may be paid to him on monthly/quarterly/yearly basis provided however that the overall managerial remuneration including performance based commission paid to him during any financial year i.e. period 01st April, 2022 to 31st March, 2027 shall not exceeds 25% of the Net Profit computed under Section 198 of the Companies Act, 2013 and that the net profit of the company shall be computed based upon the Audited annual financial Statements for that financial year.
- d) **Perquisites/ Benefits/Facilities and Amenities:** Mr. Vaibhav Dipak Shah shall continue to be eligible for perquisites (evaluated as per Income tax rules wherever applicable and otherwise at actual cost to the Company) such as the benefit of the Company's furnished accommodation, gas, electricity, water and furnishings, club fees, group insurance, use of car and telephone at residence or



reimbursement of expenses in lieu thereof; medical reimbursement, leave travel concession, education benefits, provident fund and gratuity, in accordance with the scheme(s) and rule(s) applicable from time to time and in accordance with Company Policies.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorised to alter, vary and modify the aforesaid managerial remuneration for the period state above including salary perquisites and commission payable to Mr. Vaibhav Dipak Shah in such manner as may be agreed to between the Board and Mr. Vaibhav Dipak Shah within maximum limit of 25% of the net profits of the company computed under section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** wherein any financial year the company has no profits or its profits are inadequate the managerial remuneration consisting of salary, perquisites, amenities and performance based commission shall be payable to Mr. Vaibhav Dipak Shah, Managing Director of the company in accordance with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and subject to approval of Central Government, wherever required.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable for the purpose of giving effect to this Resolution."

**10.** Approval of payment of professional fees to Mr. Saurin Rasiklal Shah (DIN: 05329991), Non-Executive Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(6) and other applicable provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, read with the applicable provisions of the Companies Act, 2013 and the rules made thereunder, the consent of the Members of the Company be and is hereby accorded for payment of fees, for availing professional services, to Mr. Saurin Rasiklal Shah (DIN: 05329991), Non-Executive Director of the Company, over and above the remuneration and the sitting fees to which he is entitled as a Director, from the financial year 2020-21 onwards till the time he acts as a Director of the Company.

**RESOLVED FURTHER THAT** the Board (including any Committee thereof), be and is hereby authorised to determine the payment of such fees or any other form of compensation, if any, to Mr. Saurin Rasiklal Shah, Non-Executive Director on such terms and conditions as mutually agreed."

**11.** To Increase Borrowing Powers of the Board Under Section 180 (1)(c) Of The Companies Act, 2013.

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the members of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate /person/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 200 crores

(Rupees Two Hundred Crores only) notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

**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."

**12.** To approve the power to create charge on the assets of the company to secure borrowings under section 180(1)(a) of the Companies Act, 2013.

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

**"RESOLVED THAT** in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the members of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 200 crores (Rupees Two Hundred Crores only).

**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."

**13.** 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 with or without modification(s), 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. 100 crores (Rupees One 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."

#### 14. Approval of Scheme of Loan to Managing Director and Whole-time Directors

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

**"RESOLVED THAT** in accordance with the provisions of section 185(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), change or re-enactment hereof, for the lime being in force), approval of the members of the Company be and is hereby accorded to approve a Scheme of loan for its Managing and Whole-time Directors of the Company and the scheme of loan is hereunder:

- a) Purpose: Purchase/Construction of flat/house/Purchase of Vehicle/Furniture& fixtures/personal need.
- b) Amount of Loan: Maximum 60 times of monthly gross pay or the actual cost or the amount requested, whichever is less.
- c) Rate of Interest : At BPLR or above as decided by board of Directors time to time.
- d) Recovery: In not more than 144 monthly Installments.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be is hereby authorized to ratify any loans given earlier and to finalize, sanction and disburse the loans to Managing and Whole-time Directors, and also to delegate all or any of the above powers to any one Director of the Company and generally do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

Date: August 30, 2021  
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 Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 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 06th 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 14 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 **FRIDAY, 24<sup>TH</sup> SEPTEMBER, 2021 TO THURSDAY, 30<sup>TH</sup> SEPTEMBER, 2021 (BOTH DAYS INCLUSIVE)** for purpose of 06<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 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 2020-21 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 2020-21 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. 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.
16. 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.

17. 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.
18. 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.
19. 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:**

20. 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 23rd September, 2021 (9:00 A.M.) to Saturday, 25th September, 2021 (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.

**HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE FOR ANY TECHNICAL ISSUES RELATING TO LOGIN THROUGH DEPOSITORIES i.e. NSDL AND CDSL****21. 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**

22. 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.

23. 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.
24. 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.
25. 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. Thursday, 23<sup>rd</sup> September, 2021.
26. 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, 2021, 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".
27. 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.
28. 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](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:**

29. **The remote e-voting period begins on Sunday, 26th September, 2021 at 09:00 A.M. and ends on Wednesday, 29th September, 2021 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 23rd September, 2021, may cast their vote electronically .**
30. 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.	<ol style="list-style-type: none"> <li>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.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>"Beneficial Owner"</b> icon under "Login" which is available under <b>"IDeAS"</b> 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 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.</li> <li>2. 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>3. 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>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. 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>2. 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> </ol>



	<p>3. 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></p> <p>4. 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.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	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 & voting during the meeting.

**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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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:**

31. 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.
32. 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 06TH ANNUAL GENERAL MEETING:****Item No. 3**

The Members of the Company at its 03rd Annual General Meeting held on 29th September, 2018 had appointed M/s. C. P. Jaria & Co, Chartered Accountants, Surat (FRN No. 104058W) as the Statutory Auditors of the Company to hold office conclusion of the 03rd Annual General Meeting of the Company till the conclusion of the 08th Annual General Meeting of the Company.

M/s. C. P. Jaria & Co, Chartered Accountants vide their letter dated 20th August, 2021 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 August 30,2021, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of *the* Companies Act, 2013, has appointed M/s. G B & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 139110W), to hold office as the Statutory Auditor of the Company till the conclusion of ensuing Annual General Meeting and to fill the casual vacancy caused by the resignation of M/s. C. P. Jaria & Co, Chartered Accountants, subject to the approval by the members at the ensuing 06th Annual General Meeting of the Company, 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.

The Company has received consent letter and eligibility certificate from M/S. G B & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 139110W), to act as Statutory Auditor of the Company in place of M/s. C.P. Jaria & Co, Chartered Accountant, 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 the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

**Item No. 4**

The Board of Directors at its meeting held on August 30, 2021, 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. G B & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 139110W), as Statutory Auditor of the Company to hold office for a period of five consecutive years (Financial Year 2021-2022 to Financial Year 2025-2026), commencing from the conclusion of the 06th Annual General Meeting, till the conclusion of the 11th Annual General Meeting of the Company to be held in the year 2026 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. G B & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 139110W) 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 the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

**Item No. 5**

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, pursuant to the provisions of Section 161 of the Act and Articles of Association of the Company, appointed Mr. Saurin Rasiklal Shah (DIN: 05329991), as an Additional Director to hold office effective from December 11, 2020. As per the provisions of Section 161 of the Act, Mr. Saurin Rasiklal Shah, will hold office up to the date of the ensuing Annual General Meeting.

In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Saurin Rasiklal Shah as Non-Executive Director of the Company, liable to retire by rotation under Section 152 of the Act. The Companies Amendment Act, 2017 exempted the requirement of deposit amount of Rs.1,00,000/- if the appointment of a Director is recommended by Nomination and Remuneration Committee.

The Company has received consent in writing from Mr. Saurin Rasiklal Shah to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification) Rules, 2014, amended from time to time to the effect that he is not disqualified under Section 164(2) of the Act.

Except Mr. Saurin Rasiklal Shah and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid Ordinary Resolution.

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

**Item No. 6**

As per Section 197 of the Companies Act, 2013 read with Companies (Amendment) Act, 2017, which came into effective on September 12, 2018, the total managerial remuneration payable by a Company to its Directors, including Managing Director and Whole-time Director and its Manager in any Financial Year may exceed 11% (eleven per cent) of the net profits of the company calculated as per the section 198 of the Companies Act, 2013 provided that the same has been approved by the shareholders of the company by way of Special Resolution. The requirement of Central Government approval required has been done away with.

Pursuant to the recommendation of Nomination and Remuneration Committee, the board of directors of the company in its meeting held on June 30, 2021 recommended to increase in overall limit of managerial remuneration payable by the company in respect of any financial year from 11% (eleven percent) to 25% (twenty-five Percent) of the net profit of the company computed in the manner laid down in Section 198 of the Companies Act, 2013.

Except Mr. Vaibhav Dipak Shah, Managing Director, none of other directors or Key Managerial personnel of the company including their relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid Special Resolution.

Accordingly, the Board recommends the Special Resolution set out at item no. 6 of the accompanying Notice for approval of members.

**Item No. 7**

Mr. Vaibhav Dipak Shah was appointed as a Managing Director of the company for a period of 5 years effective from July 08, 2017. considering the overall growth of the company under dynamic leadership of Vaibhav Dipak Shah as Managing Director and recommendation of Nomination and Remuneration Committee, the Board of Directors of the company in its meeting held on June 30, 2021 has approved increase in payment of managerial remuneration to Mr. Vaibhav Dipak Shah, Managing Director of the company from 01st April, 2020 till remainder of duration of his tenure in such manner as may be mutually agreed in excess of 5% (five percent) of net profit computed under Section 198 of the Companies Act, 2013, as long as the remuneration does not exceed 25% of the net profits of the Company as duly being approved by members in item no. 6 of 06<sup>th</sup> AGM Notice.

Except Mr. Vaibhav Dipak Shah, Managing Director, none of other directors or Key Managerial personnel of the company including their relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid Special Resolution.

Accordingly, the Board recommends the Special Resolution set out at item no. 7 of the accompanying Notice for approval of members.

**Item No. 8**

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the company in its meeting held on June 30, 2021 has approved increase in payment of remuneration by way of commission or otherwise, excluding the fees payable to them for attending the meeting of the Board or Committee(s) thereof, to Non executive directors of the Company, who are not managing or whole-time directors, in excess of 3% (three percent) of the net profits of the Company, computed in accordance with the Section 198 of the Act and that the total managerial remuneration payable to all the directors of the Company in any financial year not exceeding 25 % of the net profit of the company as duly being approved by members in item no. 6 of the 06<sup>th</sup> AGM Notice.

Except non-executive director, none of other directors or Key Managerial personnel of the company including their relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid Special Resolution.

Accordingly, the Board recommends the Special Resolution set out at item no. 8 of the accompanying Notice for approval of members.

**Item No.9**

Mr. Vaibhav Shah was appointed as Managing Director of the company for period of five years effective from July 08, 2017 and his present term of office expires on July 07, 2022.

As per Section 196 of the Companies Act, 2013 a person shall not be appointed as Managing Director of the Company for a term exceeding five years at a time and shall not be re-appointed earlier than one year before the expiry of his term.

The Board of Directors of the company in their meeting held on August 30, 2021, upon recommendation made by Nomination and Remuneration Committee of the Company, has approved the appointment of Mr. Vaibhav Dipak Shah as Managing Director of the Company for further term of 5 years i.e. from July 08, 2022 till July 07, 2027 upon the terms and conditions including remuneration as set out in item no. 9 of the accompanying notice, subject to the approval of the shareholders of the company by way of Special Resolution.

Except Mr. Vaibhav Shah, Managing Director, none of other directors or Key Managerial personnel of the company including their relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid Special Resolution.

Accordingly, the Board recommends the Special Resolution set out at item no. 9 of the accompanying Notice for approval of members.

**Item No. 10**

The approval of members is sought pursuant to Regulation 17(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for payment of professional fees to Mr. Saurin Rasiklal Shah from the Financial Year 2019-20 onwards on such terms and conditions as may be determined by the Board from time to time till the time he acts as a Director of the Company.

Except Mr. Saurin Shah, none of other directors or Key Managerial personnel of the company including their relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid an Ordinary Resolution.

Accordingly, the Board recommends an Ordinary Resolution set out at item no. 10 of the accompanying Notice for approval of members.

**Item No. 11 & 12**

Keeping in view existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits of the Company to Rs. 200 Crores.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, subject to the approval of members in the General Meeting.

Hence, the Special Resolution at Item No.11 & 12 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) & 180(1)(c) of the Act. Accordingly, the Board recommends the Special Resolution as set out at Item No. 11 & 12 of the accompanying Notice for approval of members.

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

**Item No. 13**

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. 100 crores (Rupees One 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. 13 of the accompanying Notice for approval of members.

**Item No. 14**

In term of section 185 of the Companies act,2013, no company shall, directly or indirectly, advance any loan, including any loan represented by a book debt, to any of its directors or to any other person in whom the director is interested. Board after considering the association and efforts of Managing director and Whole Time Director(s) towards the Company, the board propose to introduce the scheme for giving loan to a Managing Director or Whole-time Director of the company.

The Board of Directors of the Company in their meeting has approved Scheme of giving loan to a Managing Director or Whole-time Director of the company. The Sanction of loan will be at the sole discretion of the Management. The policy is subject to review by the management from time to time.

In terms of Section 185 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of above scheme.

Except Mr. Vaibhav Dipak Shah, Managing Director, none of other directors or Key Managerial personnel of the company including their relatives is concerned or interested, financially or otherwise, except the extent of their shareholding in the aforesaid Special Resolution.

Accordingly, the Board recommends the Special Resolution set out at item no. 14 of the accompanying Notice for approval of members.

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

Date: August 30, 2021  
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>	<b>Mr. Vaibhav Dipak Shah</b>	<b>Mr. Saurin Rasiklal Shah</b>
<b>DIN</b>	03302936	05329991
<b>Designation</b>	Managing Director & CFO	Additional Director Non-executive
<b>Date of Birth</b>	14/04/1986	08/01/1973
<b>Nationality</b>	Indian	Indian
<b>Date of First/Original Appointment on Board</b>	15/07/2015	11/12/2020
<b>Expertise in Specific General Functional Area</b>	Ten Years of experience In field of manufacturing and trading of Diamond, gold, precious stones Jewellery.	Ten years of experience in the field of Diamonds, Gems and Jewellery.
<b>Qualification</b>	Bachelor in Commerce and is a GIA Diamond graduate.	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>	Re-appointment on retiring by rotation. Re-appointment as Managing Director for further period of five years. The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice. Drawn Rs. 84 lakhs as remuneration in the Financial Year 2020-21.	Non-Executive Director, liable to retire by rotation. The details of remuneration sought to be paid is given in the explanatory statement annexed to this Notice. Given Rs. 20 Lakh as Professional Fees in the financial Year 2020-21.
<b>No. of Board Meetings attended during the year</b>	Eight	Three
<b>Directorship held in listed Companies</b>	1. Sagar Diamonds Limited	1. Sagar Diamonds Limited
<b>Directorship held in other Companies/LLP</b>	1. SG Diamonds LLP 2. Shilp Iconic LLP 3. Sagarempire Agro Private Limited 4. Sagarempire Jewels Private Limited 5. Sagarempire Green Energy Private Limited 6. Sagarglobal Empire Private Limited 7. Sagarempire Aerospace Private Limited 8. Saur In Autosol Energy Private Limited 9. Sagarempire Bullions Private Limited	1. Shreeja Petroleum LLP 2. Shukan Gems And Jewellery Private Limited 3. Mother Pinex Private Limited 4. Sagarempire Aerospace Private Limited 5. Thirty Seven Jain Welfare Foundation 6. Springup Watertech Private Limited 7. Chintamani Enviro Care Private Limited 8. Nakoda Oil Field Services Private Limited 9. Raghav Port Infra Management Private Limited 10. Saur In Autosol Energy Private Limited
<b>Membership/ Chairmanship of Committees of other Public Companies</b>	-	-
<b>Shareholding in the Company</b>	62,27,860 as on 31/03/2021	-
<b>Relationship between Director/KMP inter-se</b>	Brother-in-law of Mr. Rahil Hiteshbhai Chovatia (Director)	Not related to any director/KMP

**DIRECTORS' REPORT**

To  
The Members  
**SAGAR DIAMONDS LIMITED**

Your Directors have pleasure in presenting the 06<sup>th</sup> annual Report of the company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

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

<b>Particulars</b>	<b>31/03/2021</b>	<b>31/03/2020*</b>
Revenue from Operation	2,83,518.79	1,97,049.07
Other income	20.42	0.57
Profit Before Interest & Depreciation	1,205.74	1,004.16
(-)Finance Cost	77.00	65.06
(-) Depreciation	24.96	18.98
Net Profit before tax & Exceptional items	1,103.78	920.13
(+)Exceptional Items	0.00	0.00
Net Profit Before tax	1,103.78	920.13
(-) Tax Expense	217.93	173.68
<b>Net Profit for the year after tax</b>	<b>885.85</b>	<b>746.45</b>
<b>Earnings per share (Basic &amp; Diluted) (In Rs.)</b>	<b>7.01</b>	<b>5.90</b>

\*Previous year's Figures have been regrouped / rearranged wherever necessary.

**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. IMPACT OF COVID-19 PANDEMIC**

The unprecedented Covid 19 pandemic seriously impacted the general economy since March 2020 followed by total lockdown for major part of Q1 of F.Y 2020-21. Your Company started manufacturing unit in a limited way towards the end of May 2020. Your Company drew up business contingency plans covering all the functions of the company during the lockdown period and bounced back from July 2020 onwards both in production and sales. The F.Y 2020-21 ended in a positive note even though the second wave of Covid-19 pandemic started hitting some parts of the country from mid / late March 2021 but this did not materially impact the Company's performance. Against the backdrop of the turbulence period, your Company showed an remarkable performance for the reported year with an all-time high Net Sales of Rs. 2,83,518.79 lakhs, a growth of 43.88% from Rs. 1,97,049.07 lakhs of the previous year.

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

In spite of various constraints discussed above, the Company delivered an all-time high EBITDA (before exceptional items) of Rs. 1,205.74 lakhs with a growth of 20% (PY 1,004.16 lakhs) and Profit before tax at Rs. 1,103.78 lakhs with a growth of 19.95% (PY Rs. 920.13 lakhs). The Net Profit after Tax was higher at Rs.885.85 lakhs (PY Rs. 746.45 lakhs). The EPS recorded at Rs.7.01 (PY Rs.5.90) a growth of 18.68%.

**4. EXPORT**

The Company has exported diamonds and Jewellery to Hong Kong and Dubai. During the year under review, your Company has recorded export of Rs. 1,86,826.43 lakhs against export revenue recorded of Rs. 1,57,627.77 lakhs in the previous year.

**5. 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, 2021.

**6. TRANSFER TO RESERVE**

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

**7. SHARE CAPITAL**

The Paid up equity share capital as on March 31, 2021 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.

**8. ANNUAL RETURN**

The Annual Return of the Company as on 31<sup>st</sup> March, 2021 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 [www.sagardiamonds.com](http://www.sagardiamonds.com).

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

As on 31<sup>st</sup> March, 2021, 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.

**10. 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.

**11. 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.

**12. 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. Vaibhav Dipak Shah (DIN: 03302936) 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.

In accordance with the provisions of Section 161 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Saurin Rasiklal Shah (DIN: 05329991), was appointed as an Additional Director to hold office effective from December 11, 2020 up to the date of the ensuing Annual General Meeting. In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Saurin Rasiklal Shah as Non-Executive Director of the Company, liable to retire by rotation under Section 152 of the Act in ensuing Annual General Meeting of the Company.

Mr. Vaibhav Shah was appointed as Managing Director of the company for period of five years effective from July 08, 2017 and his present term of office expires on July 07, 2022. The Board, on recommendation of Nomination and Remuneration committee, considered the re-appointment of Mr. Vaibhav Dipak Shah as Managing Director of the Company for further term of 5 years i.e from July 08, 2022 till July 07, 2027 upon the terms and conditions as decided from time to time in ensuing Annual General Meeting.

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	Additional Director-Non Executive	11/12/2020	--
Rahil Hiteshbhai Chovatia	Director	29/05/2017	02/08/2021

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	-

### **13. 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.

### **14. 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.

#### **15. MEETING OF BOARD OF DIRECTORS**

During the year, 8 (Eight) 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:

<b>Sr. NO.</b>	<b>Date of Meeting</b>	<b>Board Strength as on date of Board Meeting</b>	<b>Directors Present as on date of Board Meeting</b>
1.	21/05/2020	5	5
2.	31/07/2020	5	5
3.	01/09/2020	5	5
4.	09/09/2020	5	5
5.	13/11/2020	5	5
6.	11/12/2020	6	6
7.	12/02/2021	6	6
8.	30/03/2021	6	6

During F.Y 2020-21, Attendance of Directors at Board Meetings are given below:

<b>Name of Director</b>	<b>Designation</b>	<b>Board Meeting Attendance</b>	<b>Last AGM Attendance on 30/09/2020</b>
Vaibhav Dipak Shah	Managing Director & CFO	8/8	Yes
Rahil Hiteshbhai Chovatia	Non-executive Director	8/8	Yes
Manendra Pratap Singh	Independent Director	8/8	Yes
Shrikrishna Baburam Pandey	Independent Director	8/8	Yes
Bandana Singh	Independent Director	8/8	Yes
Saurin Rasiklal Shah	Additional Director-Non executive	3/3	No

\* Mr. Rahil Hiteshbhai Chovatia resigned from post of Director with effect from 02/08/2021 and Mr. Saurin Rasiklal Shah appointed as Additional Director with effect from 11/12/2020.

**16. 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 Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

During the financial year 2020-21, the Audit Committee met 6 (Six) times on 21/05/2020, 31/07/2020, 01/09/2020, 13/11/2020, 11/12/2020 and 30/03/2021 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. Manendra Pratap Singh	Chairman	Independent Director	6/6
Ms. Bandana Singh	Member	Independent Director	6/6
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	6/6

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 30th September, 2020. 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 and Listing Regulations. 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 Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

During the Financial year 2020-21, 5 (Five) meetings of the Nomination and Remuneration Committee were held on 21/05/2020, 31/07/2020, 01/09/2020, 11/12/2020 and 30/03/2021.

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

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

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 30th September, 2020. 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 Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with 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 2020-21, 4 (Four) meeting of the Stakeholders' Relationship Committee were held on 21/05/2020, 31/07/2020, 11/12/2020 and 30/03/2021. 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. Manendra Pratap Singh	Chairman	Independent Director	4/4
Ms. Bandana Singh	Member	Independent Director	4/4
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	4/4

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, 2021.

**(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 2020-21, 2 (Two) meeting of the Corporate Social Responsibility Committee were held on 01/09/2020 and 30/03/2021.

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

Name	Designation	Category	No. of Meetings Attended
Mr. Rahil Hiteshbhai Chovatia	Chairman	Non-executive Director	2/2
Mr. Vaibhav Dipak Shah	Member	Managing Director	2/2
Mr. Manendra Pratap Singh	Member	Independent Director	2/2

**(e) Independent Directors Meeting**

During the year under review, a separate meeting of the Independent Directors of the Company was held on 21/05/2020, 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.

**17. 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.

**18. 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).

**19. 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).

**20. 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, 2021 is annexed as **Annexure-1**.

**21. 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, 2021, 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).

## **22. 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, 2021, 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.

## **23. AUDITORS**

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

M/s. C. P. Jaria & Co, Chartered Accountants, Surat (FRN No. 104058W) were appointed as the Statutory Auditors of the Company at the 03rd Annual General Meeting of the Company held on 29th September, 2018 for a term of five consecutive years commencing from financial year 2018-19 up to Financial Year 2022-23, from conclusion of the 03rd Annual General Meeting of the Company till the conclusion of the 08th Annual General Meeting of the Company. However, M/s. C. P. Jaria & Co, Chartered Accountants vide their letter dated 20th August, 2021 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. G B & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 139110W), as the Statutory Auditors of the Company:

- a) to fill the casual vacancy caused by the resignation of M/s. C. P. Jaria & Co, Chartered Accountants and to hold the office of the Statutory Auditors upto the conclusion of ensuing Annual General Meeting; and
- b) for a period of five consecutive years (Financial Year 2021-22 to Financial Year 2025-26) from the conclusion of the 06th Annual General Meeting till the conclusion of 11th Annual General Meeting of the Company to be held in the year 2026.

M/s. G B & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 139110W) has confirmed their eligibility to act as the Statutory Auditors of the Company.

M/s. C. P. Jaria & Co, Chartered Accountants, Surat (FRN No. 104058W) have completed the Statutory Audit for period 2020-21 and submitted their Auditors Report for the financial year 2020-21 to the members, which does not contain any Qualification or adverse remark. The observation made in the Auditors Report read together with relevant notes thereon are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

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 Bipin Jain, Chartered Accountants as Internal Auditors of the Company for financial year 2020-21.

**(c) Cost Auditors:**

During Financial year 2020-21, Provisions related to Cost Auditor is not applicable to the Company.

**24. 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 2020-21. The Report of the Secretarial Auditors is annexed as **Annexure-3** in Form MR-3 to this Report. There is no secretarial audit qualification for the year under review.

**25. 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.

**26. 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 and there were no material related party transactions made by the company during the financial year under review. There were no material related party transactions made by the company with key managerial person which may have potential conflict with the interest of the company at large, Related party transactions are provided in notes 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 the following kinds of related party transactions:

- Contracts / arrangement / transactions which are not at arms' length basis
- Any Material contracts / arrangement / transactions [as per Regulation 23 of the SEBI (LODR) Regulations, 2015]

**27. 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.

**28. 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.

**29. 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.

**30. 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.

**31. PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board 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).

**32. INSURANCE**

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

**33. 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 2021-22.

**34. 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.

**35. INDUSTRIAL RELATIONS**

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

**36. 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.

**37. 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 2020-21 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2021 for redressal.

**38. 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.

**39. 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.

**40. 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: August 30, 2021

Place: Surat

**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, 2021 and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 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, 2021;
  - b. That there are no significant changes in accounting policies during the financial year ended 31st March, 2021; 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

Date: August 30, 2021  
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, 2021 compliance with the respective Codes of Conduct laid down for them.

Date: August 30, 2021  
Place: Surat

Sd/-  
(Vaibhav Dipak Shah)  
Managing Director

**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. Rahil Hiteshbhai Chovatia	Chairman	Non-executive Director	2	2
Mr. Vaibhav Dipak Shah	Member	Managing Director	2	2
Mr. Manendra Pratap Singh	Member	Independent Director	2	2

**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/reports.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	--	--	--
	<b>TOTAL</b>		

**6. Average net profits of the Company as per Section 135(5):** Rs. 647.85 lakhs

- 7. (a) Two percent of average net profit of the company as per section 135(5):** Rs. 12.96 lakhs  
**(b) Surplus arising out of the CSR projects or programmes or activities of the 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. 12.96 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
18.00	--	--	--	--	--

**(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	"SAY NO TO DRUGS"	(i)	No	Gujarat	Ahmedabad	1st February 2019 to Till date	12.96	18.00	-	No	High on Life Foundation	CSR00005367
2												
3												
	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	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-
	Total								

**(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. 18 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)	12.96
(ii)	Total amount spent for the Financial Year	18.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.04
(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)]	5.04

**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	
Not Applicable, as the concept of transferring unspent amount to the separate account/ fund has been introduced in the CSR Amendment Rules, relevant from fiscal 2021.							
	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
Not Applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021. Details of spend on all ongoing projects during fiscal 2021 are covered under 8(b) above.								
	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).	NA
(b) Amount of CSR spent for creation or acquisition of capital asset.	NA
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NA
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NA

**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)

Date: August 30, 2021  
Place: Surat



**ANNEXURE-3 TO DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

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

To,  
The Members  
Sagar Diamonds Limited  
Plot No. 266-B, SEZ Diamond Park, Sachin,  
Surat (Guj) 394230

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, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2021 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;- **There was no such event during the year.**
    - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;-**Proper disclosures were made under these regulations.**
    - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;- **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 (Share Based Employee Benefits) Regulations, 2014;- **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable.**
    - f) 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.**

- g) 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.**
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **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, other laws related to factory laws, labor laws or environmental laws are not applicable to company, except local laws, which does not have any significant impact over the operation of company, hence not commented upon.
2. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards 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.

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.
5. **We further report that** during the audit period the company has not taken major steps or enter into events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Anmol Jha**  
**Company Secretaries**  
**CS Anmol Jha**  
**Membership No.: A39714**  
**CP No.: 14872**  
**UDIN:A039714C000852592**

Place: Indore  
Date: 28/08/2021

**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, 2021 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, 2021:

Name of the Director/KMP	Remuneration received (In Rs.)	% Increase in Remuneration in F.Y 2020-21	Ratio to median remuneration
Mr. Vaibhav Shah (Managing Director)	84,00,000	40.00	102.47
Ms. Pooja Jain (Company Secretary)	3,15,000	-	N.A
Mr. Rahil Chovatia (Non-executive Director)	-	-	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)	20,00,000	-	N.A

*\*Mr. Saurin Rasiklal Sah appointed on 11/12/2020 and received Professional Fees during his tenure.*

- (2) Median Remuneration of employee for financial year 2020-21 is Rs. 81,975.  
 (3) During F.Y 2020-21, there was an increase of 24.26% in the median remuneration of employees.  
 (4) There were 38 permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2021.  
 (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 38.39%.  
 (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, 2021.

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	35	Sagar Gems, Proprietor	49.26	-
2.	Geeta Shah	Salesperson	24,29,000	Permanent	T.Y.B.com	5 years				-	-
3.	Nidhi Shah	Finance Head	9,60,000	Permanent	B.com, CA			34	--	0.13	-
4.	Priya Dhaval Shah	Jewellery Designer	4,90,000	Permanent	B.com, MBA		2020	34		-	-
5.	Nandlal Gadri	CHIEF	4,55,000	Permanent	12 <sup>th</sup> PASS	10 years	2019	38			
6.	Hiren Trivedi	Office In Charge	4,07,000	Permanent	F.Y.B.com	5 Years	2017	36	Sagar gems	-	-
7.	Montu Gandhi	Office In Charge	3,75,000	Permanent	T.Y.B.com	10 Years	2017	33	Sagar gems	-	-
8.	Pooja Surendra Jain	CS	3,15,000	Permanent	B.com, CS	4 years	2019	27	-	-	-
9.	Smita Dubey	Accounts Executive	2,37,035	Permanent	B.com	4 years	2019	23	-	-	-
10.	Tejaskumar Patel	Casting Operator	1,86,528	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 and Dubai.

(Rs. in Lakhs)

<b>Particulars</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
Foreign Exchange Earning	1,86,826.43	1,57,627.78
Foreign Exchange Outgo	1,49,532.81	1,44,793.85

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****Indian Economy:**

The world economy and Indian economy has suffered very badly due to COVID 19 during the entire financial year 2020 – 21.

The outbreak of the COVID-19 pandemic in March 2020 along with the national lockdown in India disrupted economic activities including demand and supply chain resulting in a significant slowdown of the Indian economy.

With the staggered unlocking measures from May/ June 2020 onwards some normalcy started getting restored. The manufacturing sector witnessed a fast recovery from second quarter of 2020-21 coupled with a revival of consumer demands during the festive season.

A sharp surge in the cases during the second wave of Covid-19 since the second week of April 2021 had lead to many state governments announcing strict lockdowns / restrictions on movement etc. and this is affecting the economic activity especially of Micro, Small and Medium Enterprises. Economic impact of the second wave could intensify in the next few weeks due to lower mobility. The overall impact of the second wave on the economy is difficult to assess presently, but it is likely to negatively affect GDP growth in the first quarter. With emergence of strong second wave of Covid-19 pandemic, the Indian economy is now projected to grow at about 10% during fiscal 2021-2022.

**Gems and Jewellery Industry review:**

The Gems and Jewellery sector plays a significant role in the Indian economy, contributing around 7% of the country's GDP and 15% to India's total merchandise exports. It also employs over 4.64 Million workers and is expected to employ 8.23 Million by 2022. One of the fastest growing sectors, it is extremely export oriented and labour intensive.

Based on its potential for growth and value addition, the Government of India has declared the Gems and 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's gems and jewellery sector is one of the largest in the world, contributing 29 per cent to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. In FY 20-21, exports of gems & jewellery stood at US\$ 25.30 billion.

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.

As per Union Budget 2021, the Gem and Jewellery Export Promotion Council has proposed a reduction in import duty on cut and polished diamonds to 2.5%, from the existing 7.5%, to double exports of gems & jewellery to US\$ 70 billion by 2025.

Gems and Jewellery comprises of the following sub-sectors:

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

India is one of the largest exporters of gems and jewellery and the industry is considered to play a vital role in the Indian economy as it contributes a major chunk to the total foreign reserves of the Country.

#### **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 at 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 2020-21, an all-time high Net Sale of Rs. 2,83,518.79 lakhs, a growth of 43.88% from Rs. 1,97,049.07 lakhs in 2019-20.
- In 2020-21, an all-time high EBITDA (before exceptional items) of Rs. 1,205.74 lakhs, a growth of 20% from Rs. 1,004.16 lakhs in 2019-20.
- In 2020-21, Profit before tax at Rs. 1,103.78 lakhs, growth of 19.95% from Rs.920.13 lakhs in 2019-20.
- In 2020-21, Net Profit after Tax was higher at Rs.885.85 lakhs from Rs. 746.45 lakhs in 2019-20.
- In 2020-21, EPS recorded at Rs.7.01 a growth of 18.68% from Rs.5.90 in 2019-20.

**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.

---

**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**

### Opinion

We have audited the standalone financial statements of **Sagar Diamonds Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, 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.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Sl. No.	Key Audit Matters	How our audit addressed the Key Audit Matters and Opinion on same
1.	<b>Realization of Export Proceeds</b>	<ul style="list-style-type: none"> <li>• We checked the bank statement for collection and other related supported documents of exports.</li> <li>• We hereby state the fact that Considerable Amount of export revenue is yet to be realised at the end of financial year.</li> </ul>
2.	<b>Profit/Loss on Foreign Exchange</b>	<ul style="list-style-type: none"> <li>• We have checked the accuracy of realized and accrued forex profit/loss amount so calculated as per the AS - 11.</li> </ul>
3.	<b>Confirmation of o/s Debtors &amp; Creditors</b>	<ul style="list-style-type: none"> <li>• We were not able to get the third party confirmation from majority of debtors and creditors timely. So, we relied on information and supporting documents received from the Management for the same.</li> </ul>
4.	<b>Closing Stock</b>	<ul style="list-style-type: none"> <li>• No physical verification was practically possible this year due to COVID – 19 restrictions and we had to rely on statement and details of stock as on 31<sup>st</sup> March, 2021 certified by the Management.</li> </ul>

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial Statements.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, the Statement of Profit and Loss account, Cash Flows Statement and statement of dealt with this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules thereunder as amended.
- e) On the basis of written representation received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as the directors in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) According to information and explanations given to us and based on our examination of the records of the Company, the Company had provided managerial remuneration with requisite approvals mandated by the provisions of Sec 197 of the Act.
- h) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014:
  - i. The Company has pending litigations under Income tax act which are pending before Appellant Authorities.
  - ii. The company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education & Protection Fund. The question of delay in transferring such sums does not arise.

**IMPACT OF COVID-19 ON FINANCIAL STATEMENTS**

Due to outbreak of Covid-19 globally and in India, the operations of the Company were impacted. Company is dealing in Gems, Jewellery, Precious and semi-precious Stones and Metals, hence due to Covid-19, consumer's demand was expected to be volatile in the short term, though we are unable to ascertain the overall impact of it on a long term. Further, the Management believes that there may be negative impact of Covid-19 pandemic on the financial position and performance of the Company, in the short term in terms of demand and realisation of proceeds in time.

**For C.P. Jaria & Co.**  
**Chartered Accountants**  
Sd/-  
(P.K. Jain)  
Partner  
M.No.112020  
FRNo.104058W  
UDIN: 21112020AAAAE03627

Place : Surat  
Date : 30th June, 2021

**ANNEXURE – A TO THE AUDITORS’ REPORT**

**Annexure referred to in paragraph 1 of our report of even date to the members of Sagar Diamonds Limited on the accounts of the company for the year ended 31.03.2021**

**On the basis of such checks as we considered appropriate and accordingly to the information and explanations given to us during the course of our audit, we report that:**

Sr. No.	Particulars	Auditors Remark
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes  No
	(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes
(ii)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Yes  No
	(iii) whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	No
(a)	whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest;	N.A.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	N.A.
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A.
(iv)	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Yes
(v)	in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	N.A
(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	N.A

(vii)	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes
	(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	Company has pending litigation matter before Income Tax Department.
(viii)	whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	No
(ix)	whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	N.A.
(x)	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	No
(xi)	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	Yes
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	N.A.
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Yes
(xiv)	whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	N.A.

(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with	No
(xvi)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	N.A,

**For C.P. Jaria & Co.  
Chartered Accountants**

**Sd/-**

**(P.K. Jain)**

**Partner**

**M.No.112020**

**FRNo.104058W**

**UDIN: 21112020AAAAE03627**

**Place : Surat**

**Date : 30th June, 2021**

**ANNEXURE - B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (I) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **M/S Sagar Diamonds Limited** ("the Company") as on 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**MANAGEMENT RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITOR'S 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, testing and evaluating and 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 disposition of the assets of the Company. (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in

accordance with authorizations of management and directors of the company ; and (3) provide reasonable assurance regarding prevention or timely detection of 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 internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion ,the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For C.P. Jaria & Co.  
Chartered Accountants**

**Sd/-**

**(P.K. Jain)**

**Partner**

**M.No.112020**

**FRNo.104058W**

**UDIN: 21112020AAAAE03627**

**Place : Surat**

**Date : 30th June, 2021**



**STANDALONE BALANCE SHEET AS AT MARCH 31, 2021**

Particulars	Note	Figures as at the end of 31/03/2021 (In Rs.)	Figures as at the end of 31/03/2020 (In Rs.)
<b>I. EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
(a) Share Capital	2.1	12,64,37,800	12,64,37,800
(b) Reserves & Surplus	2.2	48,29,30,636	39,43,45,552
(c) Money Received against Share warrants		-	-
		<b>60,93,68,436</b>	<b>52,07,83,352</b>
<b>(2) Share Application Money pending Allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long Term Borrowings	2.3	5,05,79,313	5,22,86,162
(b) Deferred Tax Liability	2.4	27,67,217	17,08,217
(c) Other Long-term Liabilities		-	-
(d) Long Term Provisions		-	-
		<b>5,33,46,530</b>	<b>5,39,94,379</b>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade Payables	2.5	11,13,24,89,828	3,32,45,35,891
(c) Other Current Liabilities	2.6	42,67,99,67,109	38,59,71,033
(d) Short-term Provisions	2.7	2,19,33,820	1,66,79,710
		<b>53,83,43,90,757</b>	<b>3,72,71,86,634</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>54,49,71,05,722</b>	<b>4,30,19,64,365</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	2.8	5,35,42,385	3,87,15,912
(ii) Intangible Assets		-	-
(iii) Capital Work in Progress		54,39,168	54,39,168
(iv) Intangible Assets under development		-	-
		5,89,81,553	4,41,55,080
(b) Non-Current Investment		-	-
(c) Deferred Tax Asset (Net)		-	-
(d) Long Term Loans & Advances	2.9	23,04,47,581	16,00,95,054
(e) Other Non Current Assets		-	-
		<b>28,94,29,134</b>	<b>20,42,50,134</b>
<b>(2) Current Assets</b>			
(a) Current Investment	2.10	11,21,071	92,781

<b>Particulars</b>	<b>Note</b>	<b>Figures as at the end of 31/03/2021 (In Rs.)</b>	<b>Figures as at the end of 31/03/2020 (In Rs.)</b>
(b) Inventories	2.11	3,04,85,61,541	64,26,63,438
(c) Trade Receivables	2.12	37,88,49,62,745	3,31,27,67,016
(d) Cash & Cash Equivalents	2.13	7,37,92,265	12,50,774
(e) Short-term Loans & Advances	2.14	1,98,77,174	13,83,55,941
(f) Other Current Assets	2.15	13,17,93,61,794	25,84,282
		<b>54,20,76,76,589</b>	<b>4,09,77,14,231</b>
<b>TOTAL ASSETS</b>		<b>54,49,71,05,722</b>	<b>4,30,19,64,365</b>
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes to accounts</b>	<b>2.1 to 2.25</b>		

As per our report of even date attached

For C.P. Jaria & Co.  
Chartered Accountants  
Sd/-  
(P.K. Jain)  
Partner  
M.No.112020  
FRNo.104058W

For Sagar Diamonds Limited  
Vaibhav Shah - Managing Director & CFO  
Rahil Chovatia- Director

Place : Surat  
Date : 30th June, 2021

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON  
MARCH 31, 2021**

Particulars	Note	Figures for the current reporting period in (Rs) From 01/04/2020 to 31/03/2021	Figures for the previous reporting period in (Rs) From 01/04/2019 to 31/03/2020
I. Revenue from Operations	2.16	28,35,18,79,153	19,70,49,06,938
II. Other Income	2.17	20,42,431	56,563
<b>III. Total Revenue (I + II)</b>		<b>28,35,39,21,584</b>	<b>19,70,49,63,501</b>
<b>IV. Expenses</b>			
Cost of Materials Consumed	2.18	16,61,98,19,596	15,39,56,19,296
Purchase of Stock in trade	2.19	11,27,39,25,261	4,08,80,19,572
Changes in Inventories of Finished Goods, work-in-progress and Stock in trade		-	-
Employee Benefit Expenses	2.20	1,79,20,860	1,35,93,103
Finance cost	2.21	76,99,829	65,05,803
Depreciation and Amortization expenses	2.22	24,95,915	18,97,952
Other Expenses	2.23	32,16,82,222	10,73,15,061
<b>Total Expenses</b>		<b>28,24,35,43,683</b>	<b>19,61,29,50,787</b>
V. Profit before exceptional, extra ordinary items and tax (III - IV)		<b>11,03,77,901</b>	<b>9,20,12,714</b>
VI. Exceptional Items		-	-
VII. Profit before extra ordinary items and tax (V-VI)		<b>11,03,77,901</b>	<b>9,20,12,714</b>
VIII. Extra ordinary items		-	-
IX. Profit before tax (VII - VIII)		<b>11,03,77,901</b>	<b>9,20,12,714</b>
X. Tax Expense	2.24		
(i) Current Tax		2,07,33,820	1,66,34,710
(ii) Deferred Tax		10,59,000	7,33,327
XI. Profit/(Loss) for the period from continuing operations (IX - X)		<b>8,85,85,081</b>	<b>7,46,44,677</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>8,85,85,081</b>	<b>7,46,44,677</b>
XVI. Earnings Per Share	2.25		
(I) Basic		7.01	5.90
(II) Diluted		7.01	5.90
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Notes to accounts</b>	<b>2.1 to 2.25</b>		

For C.P. Jaria & Co.  
Chartered Accountants  
(P.K. Jain)  
Partner  
M.No.112020  
FRNo.104058W

For Sagar Diamonds Limited  
Vaibhav Shah - Managing Director & CFO  
Rahil Chovatia- Director

Place : Surat  
Date : 30th June, 2021

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2021

Particulars	2020-21 (In Rs.)	2019-20 (In Rs.)
<b>Cash Flows from Operating Activities</b>		
Net Profit Before Tax and Extra Ordinary Items	11,03,77,901	9,20,12,714
<b>Adjustment For</b>		
Depreciation	24,95,915	18,97,952
Foreign Exchange	28,60,49,034	(22,14,57,554)
Gain or loss of Sale of Fixed assets	-	-
Other income (interest and discount)	(20,42,431)	(56,563)
Finance Cost	76,99,829	65,05,803
Dividend Income	-	-
Discount on Export bill	-	30,91,10,309
Other adjustment of non cash Item	(2,88,69,89,966)	(10,96,05,571)
Other adjustment to reconcile Profit	-	-
<b>Total Adjustment to Profit/Loss (A)</b>	<b>(2,59,27,87,619)</b>	<b>(1,36,05,625)</b>
<b>Adjustment For working Capital Change</b>		
Adjustment for Increase/Decrease in Inventories	(10,28,290)	91,62,34,431
Adjustment for Increase/Decrease in Trade Receivables	(34,57,21,95,729)	(51,24,49,031)
Adjustment for Increase/Decrease in Other Current Assets	(13,05,93,27,035)	(6,48,93,965)
Adjustment for Increase/Decrease in Trade Payable	7,80,79,53,937	(47,92,90,634)
Adjustment for Increase/Decrease in other current Liabilities	42,29,39,96,076	(88,833)
Adjustment for Provisions	52,54,110	4,25,489
<b>Total Adjustment For Working Capital (B)</b>	<b>2,47,46,53,069</b>	<b>(14,00,62,542)</b>
<b>Total Adjustment to reconcile profit (A+B)</b>	<b>(11,81,34,550)</b>	<b>(15,36,68,167)</b>
<b>Net Cash flow from (Used in ) operation</b>	<b>(77,56,649)</b>	<b>(6,16,55,453)</b>
Dividend Received	-	-
Interest received	33,302	-
Interest Paid	(54,52,718)	(3,86,859)
Income Tax Paid/ Refund	-	-
<b>Net Cash flow from (Used in ) operation before Extra Ordinary Items</b>	<b>(1,31,76,065)</b>	<b>(6,20,42,312)</b>
Proceeds from Extra Ordinary Items	-	-
Payment for Extra Ordinary Item	-	-
<b>Net Cash flow From operating Activities</b>	<b>(1,31,76,065)</b>	<b>(6,20,42,312)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds From fixed Assets	-	-
Proceeds from Investment or Equity Instruments	7,03,52,527	9,39,552
Purchase of Fixed Assets	1,73,22,388	(1,25,62,596)
Purchase Of Investments or Equity Instruments or advances made	-	-
Interest received	20,09,129	56,563
Dividend Received	-	-
Cash Receipt from Sale of Interest in Joint Venture	-	-
Cash Payment to acquire Interest in Joint Venture	-	-
Cash flow from losing Control of subsidiaries	-	-

<b>Particulars</b>	<b>2020-21 (In Rs.)</b>	<b>2019-20 (In Rs.)</b>
Cash Payment for acquiring Control of subsidiaries	-	-
Proceeds from Govt. Grant	-	-
Other Inflow/Outflow Of Cash	-	-
<b>Net Cash flow from (Used in ) in Investing Activities before Extra Ordinary Items</b>	8,96,84,044	(1,15,66,481)
Proceeds from Extra Ordinary Items	-	-
Payment for Extra Ordinary Item	-	-
<b>Net Cash flow from (Used in ) in Investing Activities</b>	8,96,84,044	(1,15,66,481)
<b>Cash Flows from Financial Activities</b>		
Proceeds From Issuing Shares	-	-
Proceeds from Issuing Debenture /Bonds/Notes	-	-
Redemption of Preference Share	-	-
Redemption of Debenture	-	-
Proceeds from other Equity Instruments	-	-
Proceeds From Borrowing	63,61,538	1,05,20,380
Repayment Of Borrowing	(70,58,814)	(21,18,275)
Dividend Paid		
Interest Paid	(32,69,212)	(4,02,109)
Income Tax Paid/Refund		
<b>Net Cash flow from (Used in ) in Financial Activities before Extra Ordinary Items</b>	(39,66,488)	79,99,996
Proceeds from Extra Ordinary Items		
Payment for Extra Ordinary Item		
<b>Net Cash flow from (Used in ) in Financial Activities</b>	(39,66,488)	79,99,996
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	7,25,41,491	(6,56,08,796)
Effect of exchange rate change on cash and cash equivalents		
<b>Net increase (decrease) in cash and cash equivalents</b>	725,41,491	(656,08,796)
Cash and cash equivalents at beginning of period	12,50,774	668,59,570
<b>Cash and cash equivalents at end of period</b>	7,37,92,265	12,50,774

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

For C.P. Jaria & Co.  
Chartered Accountants  
Sd/-  
(P.K. Jain)  
Partner  
M.No.112020  
FRNo.104058W

For Sagar Diamonds Limited  
Vaibhav Shah - Managing Director & CFO  
Rahil Chovatia- Director

Place : Surat  
Date : 30th June, 2021

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

### BACKGROUND

Sagar Diamonds Limited was (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.

### SIGNIFICANT ACCOUNTING POLICIES

<b>1.01</b>	<p><b>Basis of preparation</b></p> <p>The standalone financial statements have been prepared in accordance with Accounting Standards (AS) notified under the Companies Act, 2013.</p> <p>The entity has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2021 has been prepared in accordance with notified AS.</p> <p>The standalone financial statements have been prepared on a historical cost basis</p>
<b>1.02</b>	<p><b>Current versus non-current classification</b></p> <p>The company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is:</p> <ul style="list-style-type: none"> <li>- expected to be realised or intended to be sold or consumed in normal operating cycle,</li> <li>- held primarily for the purpose of trading,</li> <li>- expected to be realised within twelve months after the reporting period, or</li> <li>- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.</li> </ul> <p>All other assets are classified as non-current.</p> <p>A liability is current when:</p> <ul style="list-style-type: none"> <li>- it is expected to be settled in normal operating cycle,</li> <li>- it is held primarily for the purpose of trading,</li> <li>- it is due to be settled within twelve months after the reporting period, or</li> <li>- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.</li> </ul> <p>All other liabilities classified as non-current.</p> <p>Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.</p> <p>The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity has assumed twelve months as its operating cycle.</p>
<b>1.03</b>	<p><b>Foreign Currency Transactions</b></p> <p><b>The standalone financial statements are presented in INR, which is also its functional currency.</b></p> <p>Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the yearend rates.</p> <p>Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.</p> <p>Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of AS-11.</p>

<b>1.04</b>	<p><b>Revenue recognition</b></p> <p>The company revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfilment of companies performance obligation occur at the same time.</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The company has concluded that it is the principal in all of its revenue arrangements with tie up units since the company is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.</p> <p>Revenue collection was impacted for the year due to COVID-19 but company trying to collect its receivables at earliest.</p>
<b>1.05</b>	<p><b>Taxes</b></p> <p><b>Current Income Tax</b></p> <p>Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the entity operates and generates taxable income.</p> <p><b>Deferred Tax</b></p> <p>Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.</p> <p><b>Deferred tax liabilities</b> are recognised for all taxable temporary differences, except:</p> <p>When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.</p> <p>In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.</p> <p><b>Deferred tax assets</b> are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:</p> <ul style="list-style-type: none"> <li>- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss</li> </ul> <p>The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.</p> <p>Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.</p>

	<p>Deferred tax on Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of deferred tax relating to MAT credit entitlement to the extent there is no longer reasonable certainty that the Company will pay normal income-tax during the specified period.</p> <p>Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.</p>
<b>1.06</b>	<p><b>Property, plant and equipment</b></p> <p>Property, plant and equipment have been measured at cost as per the AS - 10 (PPE). Assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.</p> <p>Capital work in progress is stated at cost, less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.</p> <p><b>Depreciation</b></p> <p>Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets specified therein.</p> <p>On additions costing less than Rs.5000, depreciation is provided at 100% in the year of addition.</p> <p>The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.</p>
<b>1.07</b>	<p><b>Inventories</b></p> <p>Finished goods and work-in-progress are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. Raw materials, packing materials, stores and spares are valued at lower of cost or net realisable value. Cost is ascertained on "moving weighted average" basis for all inventories.</p> <p>Physical verification of all major Inventory items is carried out atleast once a year. The variations is any are duly accounted for after thorough verification. At the year end the stock is rolled over and verified.</p>
<b>1.08</b>	<p><b>Provisions, Contingent Liabilities and Contingent Assets</b></p> <p><b>Provisions</b></p> <p>Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, 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 of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.</p> <p>If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.</p>



<b>1.09</b>	<p><b>Employment Benefits</b></p> <p>The Company has not accounted the liability for future gratuity benefits to be passed to the employees which is not as per AS 15 "Employees Benefit". The undiscounted amount of short term employee benefits that are expected to be paid in exchange for services rendered by an employee is recognized during the period/year when the employee renders the services. Un-availed Leave Liability is a defined obligation and is not funded. The company has not accounted the liability for the same which is not as per AS 15 "Employees Benefit. Leave Salary &amp; Gratuity has not accounted on payment basis. The Company has not taken Actuarial Valuation as at Balance Sheet date which is not as per AS 15.</p>
<b>1.10</b>	<p><b>Related Party Transaction</b></p> <p>The related party relationships have been determined on the basis of the requirements of AS-18 "Related Party Disclosures" and the same is provided by the management and relied upon by the auditors. The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the year is as per annexure at the end.</p>
<b>1.11</b>	<p><b>Earnings Per Share</b></p> <p>Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.</p> <p>Diluted earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.</p>
<b>1.12</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.</p>
<b>1.13</b>	<p><b>Significant accounting judgements, estimates and assumptions</b></p> <p>The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates, in the COVID19 pandemic environment of lockdown, could result in out comes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These have been assessed to the best of understanding but the degree of uncertainty has increased.</p> <p><b>Judgements</b></p> <p>In the process of applying the accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the separate financial statements:</p> <p><b>b) Revenue recognition</b></p> <p>The entity assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The entity has generally concluded that it is acting as a principal in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the entity and its business partners are reviewed to determine each party's respective role in the transaction.</p>

Where the entity's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net off GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entity based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the entity, especially in the current COVID19 Pandemic environment. Management has made the estimates and assumptions considering the short to medium term impact, to the best of understanding. Such changes are reflected in the assumptions when they occur.

**a) Taxes**

The entity is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex, and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The entity recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the entity.

**b) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

S. No.	Name of Related Parties	Nature of Relationship	Nature of Transaction	Amount (In Rs.)
1	Vaibhav shah	Director	Remuneration	84,00,000
2	Vaibhav Shah	Director	Advance to Staff	2,66,00,000
3	Nidhi Shah	Finance Head	Remuneration	9,60,000
4	Pooja Surendra Jain	Company Secretary	Remuneration	3,15,000
5	Sagar Gems	Directors entity	Loan adjustment	5,60,23,186
6	RHC Global Exports Pvt Ltd	Company having common director	Sales	38,82,12,450
7	RHC Global Exports Pvt Ltd	Company having common director	Purchase	42,80,90,641
8	Saurin Rasiklal Shah	Additional Director	Professional Fees	20,00,000

**NOTES:**

**2.1 Share Capital**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Authorised</b>		
135,00,000 (P.Y 135,00,000) Equity Shares of Rs. 10/- Par Value	13,50,00,000	13,50,00,000
<b>Total Authorised</b>	<b>13,50,00,000</b>	<b>13,50,00,000</b>
<b>Issued</b>		
126,43,780 (P.Y 126,43,780) Equity Shares of Rs. 10/- Par Value	12,64,37,800	12,64,37,800
<b>Total Issued</b>	<b>12,64,37,800</b>	<b>12,64,37,800</b>
<b>Subscribed</b>		
126,43,780 (P.Y 126,43,780) Equity Shares of Rs. 10/- Par Value	12,64,37,800	12,64,37,800
<b>Total Subscribed</b>	<b>12,64,37,800</b>	<b>12,64,37,800</b>
<b>Paid up</b>		
126,43,780 (P.Y 126,43,780) Equity Shares of Rs. 10/- Par Value Fully Paid up	12,64,37,800	12,64,37,800
<b>Total Paid up</b>	<b>12,64,37,800</b>	<b>12,64,37,800</b>

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

	As at 31-03-2021		As at 31-03-2020	
	No. of Shares	Amount (In Rs.)	No. of Shares	Amount (In Rs.)
Equity Shares at the beginning	1,26,43,780	12,64,37,800	1,26,43,780	12,64,37,800
Changes during the year	-	-	-	-
Equity Shares at the end	1,26,43,780	12,64,37,800	1,26,43,780	12,64,37,800

**(b) Details of Shareholders holding more than 5% of Aggregate shares in the Company**

Name of Shareholders	As at 31-03-2021		As at 31-03-2020	
	No. of Shares	%	No. of Shares	%
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

**2.2 Reserves & Surplus**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Securities Premium - Opening	11,83,35,000	-
Addition	-	11,83,35,000
Deduction	-	-
<b>Sub-total</b>	<b>11,83,35,000</b>	<b>11,83,35,000</b>
Adjusted Bonus Shares	-	-
Adjusted writing off preliminary expenses	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>
Profit & Loss Opening	27,60,10,555	20,13,65,875
Amount transferred from statement of P&L	8,85,85,081	7,46,44,677
<b>Sub-total</b>	<b>36,45,95,636</b>	<b>27,60,10,552</b>
<b>Total</b>	<b>48,29,30,636</b>	<b>39,43,45,552</b>

**2.3 Long Term Borrowing**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Loans Repayable on demand</b>		
<b>Secured</b>		
BMW Financial Services	63,61,538	96,50,221
BMW Loan from HDFC Bank	29,79,248	41,95,347
ICICI Bank Loan	98,56,746	-
<b>Sub-total</b>	<b>191,97,533</b>	<b>138,45,568</b>
Unsecured Loans	313,81,780	384,40,594
<b>Sub-total</b>	<b>313,81,780</b>	<b>384,40,594</b>
<b>Total</b>	<b>505,79,313</b>	<b>522,86,162</b>

**2.4 Deferred Tax Liability**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Deferred Tax Liability	27,67,217	17,08,217
<b>Total</b>	<b>27,67,217</b>	<b>17,08,217</b>

**2.5 Trade Payables**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Creditors Due Small Micro Enterprises	-	-
Creditors For foreign Suppliers	5,23,59,86,728	4,74,69,93,284
Creditors for Fixed Assets	2,28,106	44,352
Creditors for Expenses	24,43,631	(73,52,851)
Creditors for Goods	5,89,38,31,362	(1,41,51,48,894)
<b>Total</b>	<b>11,13,24,89,828</b>	<b>3,32,45,35,891</b>

**2.6 Other Current Liabilities**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Other Payables</b>		
Advance from Customers	1,53,51,000	38,21,72,000
Salary Payable	8,06,070	11,90,140
Others	42,65,96,03,371	-
<b>Other Current Liabilities</b>		
Duties & Taxes	3,60,000	2,92,777
Statutory dues	13,46,668	16,16,116
Provision of CSR	25,00,000	7,00,000
<b>Total</b>	<b>42,67,99,67,109</b>	<b>38,59,71,033</b>

## 2.7 Short Term Provision

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Provision</b>		
<b>Current Tax</b>		
Provision for Income Tax	207,33,820	166,34,710
Provision for Audit Fees	12,00,000	45,000
<b>Total</b>	<b>219,33,820</b>	<b>166,79,710</b>

## 2.8 Tangible Assets

(In Rs.)

Particulars	Gross				Depreciation					Net Value	
	Opening as on 01/04/2020	Addition during the year	Deduction during the year	Closing as on 31/03/2021	Opening as on 01/04/2020	During the Period	Deduction during the year	Other Adjustment	Closing as on 31/03/2021	Opening as on 01/04/2020	Closing as on 31/03/2021
Computer	6,08,122	8,63,953	-	14,72,074	2,25,981	1,79,754	-	-	4,05,735	3,82,140	10,66,339
Furniture & Fixtures	22,18,158	10,62,636	-	32,80,794	2,85,804	1,96,567	-	-	4,82,370	19,32,354	27,98,424
Plant & Machinery	2,90,90,618	1,53,95,799	-	4,44,86,417	27,46,300	18,80,308	-	-	46,26,608	263,44,318	3,98,59,809
Building	79,03,500	-	-	79,03,500	3,55,026	2,39,287	-	-	5,94,313	75,48,474	73,09,187
Land	25,08,626	-	-	25,08,626	-	-	-	-	-	25,08,626	25,08,626
	4,23,29,023	1,73,22,388	-	5,96,51,410	36,13,110	24,95,915	-	-	61,09,026	387,15,912	535,42,385
Work in Progress	54,39,168	-	-	54,39,168	-	-	-	-	-	54,39,168	54,39,168
	<b>4,77,68,191</b>	<b>1,73,22,388</b>	-	<b>6,50,90,579</b>	<b>36,13,110</b>	<b>24,95,915</b>	-	-	<b>61,09,026</b>	<b>4,41,55,080</b>	<b>5,89,81,553</b>
Previous year	2,97,66,427	1,25,62,596	-	4,23,29,023	17,15,158	18,97,952	-	-	36,13,110	3,11,64,256	4,41,55,080

\*Plant and Machinery includes 3 BMW Motor Cars which are financed by schedules Banks and therefore these Motor cars hypothecated to respective banks for the year.

## 2.9 Long term Loans & Advances

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Security Deposit</b>		
<b>Secured, Considered Good</b>		
1% Security Deposit with BSE	15,21,450	15,21,450
BSNL Deposit	500	500
Deposit for Office (Ahmedabad)	56,000	-
Deposit for Dakshin Gujarat	44,400	-
Deposit for Office (Mumbai)	5,00,000	-
DGVCL Deposit	-	44,400
<b>Loans and Advances to related parties</b>		
<b>Secured, Considered Good</b>		
Loans & Advances (Assets)	14,66,73,961	10,25,55,517
Advances made to Related Party	3,35,51,270	-
Sagar Gems	-	5,59,73,187
<b>Other Loans and Advances</b>		
Loans to Others	4,81,00,000	
<b>Total</b>	<b>23,04,47,581</b>	<b>16,00,95,054</b>

**2.10 Current Investment**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Investment</b>		
Fixed Deposit with State Bank of India	11,21,071	92,781
<b>Total</b>	<b>11,21,071</b>	<b>92,781</b>

**2.11 Inventories**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Raw Material	-	64,26,63,438
Finished Goods	3,04,85,61,541	
<b>Total</b>	<b>3,04,85,61,541</b>	<b>64,26,63,438</b>

**2.12 Trade Receivables**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
<b>Secured, Considered Good</b>		
Within 6 months	-	-
Exceeding 6 Months		
Foreign Customers	37,40,18,45,146	-
Local Customers	48,31,17,599	3,31,27,67,016
<b>Total</b>	<b>37,88,49,62,745</b>	<b>3,31,27,67,016</b>

**2.13 Cash and Cash Equivalents**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Cash in Hand	5,93,792	8,27,675
Balances with Banks	7,31,98,473	4,23,099
<b>Total</b>	<b>7,37,92,265</b>	<b>12,50,774</b>

**2.14 Short-term Loans & Advances**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Advance paid to Creditors	1,51,350	13,66,44,705
Advance to Staff	12,51,000	10,78,000
Advance Income tax	50,00,000	-
TDS Receivable	1,53,352	6,116
GST Receivable	1,33,21,472	6,27,120
<b>Total</b>	<b>1,98,77,174</b>	<b>13,83,55,941</b>

**2.15 Other Current Assets**

Particulars	As at 31-03-2021 (In Rs.)	As at 31-03-2020 (In Rs.)
Prepaid Expenses	44,802	3,56,822
Other Current Assets	2,36,122	-
Advance payment made to Creditors for Fixed Assets	7,34,746	-
Advance payment made to Creditors for Goods	13,17,83,46,124	-
Advance made to Related Party	-	22,27,460
<b>Total</b>	<b>13,17,93,61,794</b>	<b>25,84,282</b>

**2.16 Revenue from Operations**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Sale of Products</b>		
Manufactured Goods		
Export Sales	18,68,26,43,491	15,76,27,77,552
Local Sales (Mumbai)	1,04,66,93,720	1,92,61,46,179
OMS Sales (Mumbai)	8,61,72,46,700	2,01,18,94,202
Rounded Off - Sales	25	12
<b>Other Operating Revenue</b>		
Freight & Other Handling Charges Received	52,95,217	40,88,993
<b>Total</b>	<b>28,35,18,79,153</b>	<b>19,70,49,06,938</b>

**2.17 Other Income**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
Discount Received	-	-
Interest on FD	33,302	56,563
Interest on Loan	20,09,129	-
Other Income	-	-
<b>Total</b>	<b>20,42,431</b>	<b>56,563</b>

**2.18 Cost of Materials Consumed**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Raw Material</b>		
Opening	64,26,63,438	1,55,88,97,869
Add: Purchases	19,02,57,17,699	14,47,93,84,864
	19,66,83,81,137	16,03,82,82,733
Less: Closing	3,04,85,61,541	64,26,63,438
Raw Material Consumed	<b>16,61,98,19,596</b>	<b>15,39,56,19,296</b>

**Details of Closing Stock**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Finished Goods</b>		
Rough Diamond	(52,09,97,169)	-
Precious Stone	4,23,31,275	-
Pure Silver 1kg Bar	-	(83,55,962)
Pure Gold 999 TT Bar	3,50,992	(2,72,394)
Cut & Polished Diamonds	(1,61,69,44,390)	(13,16,51,504)
Semi Precious Stone	(27,41,85,993)	-
Silver 999	-	-
Silver Mounting	(13,73,887)	-
Gold Bar	(3,50,78,931)	-
Color Stones	-	(1,41,86,18,009)
	<b>(2,40,58,98,104)</b>	<b>(1,55,88,97,869)</b>

**2.19 Purchases of Stock in trade**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
Local Purchases (Mumbai)	9,91,84,51,746	2,86,67,16,159
Local Purchases (Sachin)	-	-
OMS Purchases (Mumbai)	1,35,54,73,443	1,22,13,04,063
Purchase of Chemical acid	-	-
CST paid on purchase	-	-
GST paid on purchases	-	-
Round off	73	(650)
<b>Total</b>	<b>11,27,39,25,261</b>	<b>4,08,80,19,572</b>

**2.20 Employee Benefit Expenses**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Salary, Wages &amp; Bonus</b>		
Bonus Paid	3,65,042	2,39,793
Salary	4,98,871	61,28,364
Salary (Sachin)	79,82,220	-
Remuneration to Director	84,00,000	60,47,000
<b>Staff Welfare Expenses</b>		
Staff Welfare	6,74,727	11,77,946
<b>Total</b>	<b>1,79,20,860</b>	<b>1,35,93,103</b>



**2.21 Finance Cost**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Interest Expenses</b>		
Interest on Loan for BMW	11,10,091	4,02,109
Interest on unsecured loan	21,59,121	30,27,683
<b>Bank Charges</b>		
Bank Charges	44,30,617	30,76,011
Commission on operating of ASBA account	-	-
<b>Exchange Difference - Interest Financial Charges</b>		
Exchange Difference - Export (Sachin)	-	-
<b>Total</b>	<b>76,99,829</b>	<b>65,05,803</b>

**2.22 Depreciation & Amortization expenses**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Depreciation &amp; Amortization</b>		
Depreciation on tangible assets	24,95,915	18,97,952
<b>Total</b>	<b>24,95,915</b>	<b>18,97,952</b>

**2.23 Other Expenses**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
Export Related Expenses	56,96,234	31,26,13,612
Import Related Expenses	39,18,386	32,81,474
Accounting Fees	-	6,80,000
Valuation Report	-	79,000
Brokerage & Commission	7,70,000	8,42,105
Custodian Service	6,82,797	6,18,100
Domain Registration	2,100	-
Electricity Expenses	3,76,127	2,72,574
Rent	8,27,000	3,00,000
Machinery tools	95,302	5,85,786
Business Promotion Expenses	61,97,055	13,56,195
Audit Fees	19,50,000	1,05,555
Professional Fees	63,90,238	25,98,297
Courier Charges	14,722	3,796
Email solutions	10,000	-
Internet charges	14,942	5,058
IT Support Services	12,000	-
Foreign Exchange on Import	(36,10,69,636)	18,74,98,733
Foreign Exchange on Export	64,71,18,670	(40,92,37,299)
CSR Expenditure	18,00,000	7,00,000
Round off	-	80

Annual Custody Fees FY 2018-19	45,000	48,600
Arrears of Annual Listing Fees	29,586	-
Arrears of Interest on Listing fees	2,100	-
Annual Hosting	12,000	-
SME Annual Listing Fees	25,000	92,822
Membership Fees	3,48,220	2,42,785
Issuer Charges	45,000	90,000
R&T/NSDL/CDSL Service Charges	43,881	34,127
DNB Report Charges	-	1,43,744
Logistics Services	-	82,362
Packet Charges	-	3,200
Credit report Charges	1,89,508	-
Security Charges	25,850	72,000
Printing & Stationery	83,705	1,27,104
Postage Charges	41	1,870
Repairs and Maintenance	1,39,116	13,19,806
Service Charges (Maintenance Or Repair Services)	1,17,127	1,56,510
SEZ Online System Charges	90,000	1,13,059
SSL Certificate (Sachin)	10,000	-
Labour Charges	2,24,024	-
Insurance Charges Office	84,266	96,153
Insurance Charges - Car	1,12,711	-
Telephone Charges	55,753	14,318
Testing Charges	69,000	80,500
Petrol Expenses	2,77,691	3,05,360
Conveyance Charges	1,375	9,581
Foreign Travelling Expenses	-	4,50,971
Travelling Expenses	8,81,889	10,000
NSDL AMC Charges	-	11,800
Office Expenses	3,28,408	4,07,500
Water Charges	1,45,193	2,28,020
Interest on Income tax	5,09,244	1,72,042
Interest on TDS	2,65,851	2,14,817
Interest on TCS	2,47,006	-
Penalty on TDS	-	81,200
Late Fee - GST	22,766	23,020
GST Reversal	(1,22,498)	-
Foreign Exchange Fluctuation Ac	-	2,81,011
Pest Control	10,000	3,000
Donation	5,00,000	-
Other Expenses	5,41,245	38,081
Vehicle Expenses	2,72,195	-
Computer Maintenance Charges	13,289	-
Computer Software Expenses	26,400	1,500
Discount	4,250	-460
Legal Fees	8,00,000	-

Parking Charges	15,147	55,592
Write off	3,84,946	-
<b>Total</b>	<b>32,16,82,222</b>	<b>10,73,15,061</b>

**2.24 Tax Expense**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Current Tax</b>		
Income Tax	207,33,820	1,66,34,710
<b>Deferred Tax</b>		
Deferred Tax Expense	10,59,000	7,33,327
<b>Total</b>	<b>2,17,92,820</b>	<b>173,68,037</b>

**2.25 Earning Per Equity Share**

Particulars	For Year Ended on 31-03-2021 (In Rs.)	For Year Ended on 31-03-2020 (In Rs.)
<b>Earning Per Equity Share</b>		
Basic	7.01	5.90
Diluted	7.01	5.90

For C.P. Jaria & Co.  
Chartered Accountants  
Sd/-  
(P.K. Jain)  
Partner  
M.No.112020  
FRNo.104058W

For Sagar Diamonds Limited  
Vaibhav Shah - Managing Director & CFO  
Rahil Chovatia- Director

Place : Surat  
Date : 30th June, 2021