



SAGAR DIAMONDS

# 04th Annual Report 2018-19

**CORPORATE INFORMATION**

<b>Corporate Identity Number</b>	: L36912GJ2015PLC083846	
<b>Board of Directors</b>	: Mr. Vaibhav Dipak Shah	Managing Director & CFO
	: Mr. Rahil Hiteshbhai Chovatia	Director
	: Mr. Manendra Pratap Singh	Additional Independent Director
	: Mr. Shrikrishna Baburam Pandey	Additional Independent Director
	: Ms. Bandana Singh	Additional Independent Director
<b>Company Secretary</b>	: Ms. Pooja 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>	: Unit no. 101, Plot no. 193, SEZ Diamond Park, Sachin, Surat 394 230 Gujarat India. Ph: +91-261-2397866 Email id: cs@sagardiamonds.com	
<b>Corporate Office</b>	: Ground Floor, Office No. 11, The Jewel, Opera House, Mumbai 400 004 Maharashtra India. Ph: +91-22- 4976 4730 Email id: cs@sagardiamonds.com	
<b>Plants</b>	: Unit No. 101, Plot No. 193, SEZ Diamond Park, Sachin, Surat 394230, Gujarat India. 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- 62638205   M : +91 07045454396   Fax: +91-22-62638299 Email id: lawoo@bigshareonline.com	
<b>Company Website</b>	: www.sagardiamonds.com	

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## **CORPORATE SNAPSHOT**

### ➤ **Procuring Rough Diamonds**

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

### ➤ **Exporting Diamond Jewellery**

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

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.

Our Company is headquartered in SEZ Diamond Park based at Sachin, Surat and listed on the SME Platform of BSE in September 2017

May 2010

Sagar Gems –a proprietary concern started by Mr. Vaibhav Dipak Shah

July 2015

Introduction of Sagar Diamonds Private Ltd

July 2017

Conversion of Private Ltd into Public Ltd in the name of Sagar Diamonds Ltd

Sep 2017

Company got Listed on SME Platform on BSE

**MESSAGE FROM MANAGING DIRECTOR**

Dear Shareholders,

I am extremely proud to present the 04th 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.

I am pleased to inform you that your company has completed successfully financial year 2018-19 with Net profit after Tax for the year recorded Rs. 578.10 lakhs against previous year net profit of Rs. 234.35 lakhs During the year under review, your Company has recorded net revenue from operations as Rs. 1,73,155.76 lakhs against revenue recorded of Rs. 9,261.30 lakhs in the previous year.

During Financial year 2018-19, Your Company's Export Sales has been recorded of Rs. 1,10,966.04 lakhs against export revenue recorded of Rs. 6,444.96 lakhs in the previous year.

In F.Y 2018-19, Your Company has successfully exported Diamonds & jewellery in its brand name to Hong Kong.

Details of our growth Strategies and your company' performances during Financial Year 2018-19 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 & Managing Director**  
**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**

*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**

*Additional Independent Director*

*Mr. Manendra Pratap Singh is a Master of Arts by qualification. He has 10 years of experience in Corporate World and understanding of financials and working of Listed Companies.*

### **Mr. Shrikrishna Baburam Pandey**

*Additional Independent Director*

*Mr. Shrikrishna Baburam Pandey is a under graduate. He has 5 years experience in field of Diamonds and Textile Industry and expert at Operational Management.*

### **Ms. Bandana Singh**

*Additional Independent Director*

*Ms. Bandana Singh is a Master of Arts by qualification. She has 3 years of experience in the field of Designing and Marketing.*

### **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 FOURTH ANNUAL GENERAL MEETING of "SAGAR DIAMONDS LIMITED " will be held at the Registered Office at Unit no 101, Plot no 193, SEZ Diamond Park, Sachin, Surat 394230 Gujarat on **Monday the 30th Day of September, 2019** at 11.00 a.m. to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31st, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Rahil Hiteshbhai Chovatia (DIN: 07808004), 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 appoint Mr. Manendra Pratap Singh (DIN: 01211097) as an Non-Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 149, 152 and all other applicable provisions of, and Schedule IV to, the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s and/or re-enactment/s for the time being in force) and pursuant to provisions of the Listing Regulations, Mr. Manendra Pratap Singh (DIN: 01211097), who was appointed by the Board of Directors as an Additional Director and who holds office as such up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, to hold the office for a first fixed term of five (5) consecutive years i.e. from the conclusion of Fourth (04th) Annual General Meeting up to the conclusion of Ninth (9th) Annual General Meeting of the Company to be held for the financial year 2023 - 2024 ending 31st March 2024."

4. To appoint Mr. Shrikrishna Baburam Pandey (DIN: 07035767) as an Non-Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 149, 152 and all other applicable provisions of, and Schedule IV to, the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s and/or re-enactment/s for the time being in force) and pursuant to provisions of the Listing Regulations, Mr. Shrikrishna Baburam Pandey (DIN: 07035767) who was appointed by the Board of Directors as an Additional Director and who holds office as such up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, to hold the office for a first fixed term of five (5) consecutive years i.e. from the conclusion of Fourth (04th) Annual General Meeting up to the conclusion of Ninth (9th) Annual General Meeting of the Company to be held for the financial year 2023 - 2024 ending 31st March 2024."

5. To appoint Ms. Bandana Singh (DIN: 08008601) as an Non-Executive Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 149, 152 and all other applicable provisions of, and Schedule IV to, the Companies Act, 2013 (‘the Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification/s and/or re-enactment/s for the time being in force) and pursuant to provisions of the Listing Regulations, Ms. Bandana Singh (DIN: 08008601) who was appointed by the Board of Directors as an Additional Director and who holds office as such up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of a Director, be and is hereby appointed as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, to hold the office for a first fixed term of five (5) consecutive years i.e. from the conclusion of Fourth (04th) Annual General Meeting up to the conclusion of Ninth (9th) Annual General Meeting of the Company to be held for the financial year 2023 - 2024 ending 31st March 2024.”

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

Date: August 29, 2019

Place: Surat

**NOTES:-**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to business under Item No. 3,4,5 set above in this Notice to be transacted at the AGM is annexed hereto.
2. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7<sup>th</sup> May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors M/s. C.P. Jaria & Co, Chartered Accountant (FRN No. 104058W) who were appointed in the 03rd Annual General Meeting held on 29th September, 2018.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HERewith AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF ANNUAL GENERAL MEETING. REVENUE STAMP SHOULD BE AFFIXED.**
4. **A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**



5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. The shareholder needs to furnish the printed attendance slip along with a valid identity proof such as the PAN card, passport, AADHAAR card or driving license to enter the AGM hall. Members holding equity shares in electronic form and proxies thereof are requested to bring their DP Id and client id for identification.
6. Members/Proxies/Authorized Representatives are requested to bring to the AGM, the enclosed Attendance Slip sent along with the Annual Report duly completed and signed mentioning therein details of their DP ID and Client ID/Folio Number. Duplicate Attendance Slip and/or Copies of the Annual report shall not be issued/ available at the venue of the meeting.
7. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
8. The Register of Members and share Transfer Book shall remain closed from **TUESDAY, 24<sup>TH</sup> SEPTEMBER, 2019 TO MONDAY, 30<sup>TH</sup> SEPTEMBER, 2019 (BOTH DAYS INCLUSIVE)** for purpose of 04<sup>th</sup> AGM 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. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Further, in line with circular issued by the SEBI and consequent changes in the Rule 11 of the Companies (Accounts) Rules, 2014 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose. In view of the above, the Company would communicate the important and relevant information, events and send the documents including the intimations, notices, annual reports, financial statements etc. in electronic form, to the email address of the respective Member.
11. To support the “Green Initiative” and for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically, company requests those members who have not yet registered their e-mail address, to register the same along with the contact numbers directly with their DP, in case shares are held in electronic form or with the company by sending details to company or RTA.
12. Electronic copy of the Annual Report including Notice of the 04th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same to Company or RTA. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode. The Annual Report of the Company will also be made available on the Company’s website [www.sagardiamonds.com](http://www.sagardiamonds.com).
13. 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.



14. Route-map to the venue of the Meeting is provided at the end of this Notice.
15. With reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI(ICDR) Regulations, 2009 is exempted from e-voting provisions. Also no such provisions is available in SME Equity Listing Agreement. Company is covered under Chapter XB as equity shares of company are listed on SME platform of BSE. Therefore, Company is not providing e-voting facility to its shareholders.
16. The facility for voting through Polling Paper shall be made available at AGM Venue and the Company has fixed 20th September, 2019 as cutoff date for identifying the shareholders for determining the eligibility to vote in Annual General Meeting.
17. 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 voting at the General Meeting through poll paper. A person who is not a Member as on the cut-off date should treat this Notice as for information purpose only.
18. 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. The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the Meeting of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at [www.sagardiamonds.com](http://www.sagardiamonds.com)

#### **ANNEXURE TO NOTICE**

#### **EXPLANATORY STATEMENT IN ACCORDANCE WITH PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**

In conformity with the provision of Section 102 of the companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

#### **ITEM NO 3:**

The Board of Directors at their meeting held on 14th June, 2019, has considered and approved, the appointment of Mr. Manendra Pratap Singh (DIN: 01211097), as an Additional Director (Category - Non-executive, Independent) of the Company effective from 14th June, 2019 to hold the office till the conclusion of ensuing Fourth (04th) Annual General Meeting of the Company.

Further, Mr. Manendra Pratap Singh (DIN: 01211097), is not disqualified from being appointed as a Director in terms of the provisions of Section 164 of the Companies Act, 2013 read with the rules made there under, and has given his consent to act as a Director (Category - Non-executive, Independent) of the Company. Moreover, he has submitted the declaration cum certificate of independence confirming that, he individually meets the criteria of independence as provided in Sub-Section (6), (7) and (8) of Section 149 and other applicable provisions of the Companies Act, 2013 read with relevant rules made there under, Schedule IV (Code for Independent Directors) to the Companies Act, 2013.

The Company has received a notice in writing from a Shareholder (Member) under Section 160 of the Act proposing the candidature of Mr. Manendra Pratap Singh (DIN: 01211097), for the office of a Director (Category - Non-executive, Independent) of the Company. The brief profile of Mr. Manendra Pratap Singh (DIN: 01211097), is provided in the Annex and forms part of the Notice.

The Board of Directors has considered, approved and recommended, a proposal to appoint Mr. Manendra Pratap Singh (DIN: 01211097), as a Director (Category - Non-executive, Independent) of the Company, under Section 149, 152 of the Act read with the rules made there under and the provisions of the Listing Regulations, to hold the office of a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, for a fixed first term of Five (5) consecutive years i.e. from the conclusion of Fourth (04th) Annual General Meeting up to the conclusion of Ninth (09th) Annual General Meeting of the Company to be held for the financial year 2023-2024 ending 31st March 2024.

Mr. Manendra Pratap Singh (DIN: 01211097), may be deemed to be interested in the Resolution set out at Item No. 3 of the Notice with regard to his appointment as a Director (Category - Non-executive, Independent) of the Company.

Except Mr. Manendra Pratap Singh (DIN: 01211097) for himself, being the appointee, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives, are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the Ordinary Resolution for approval of the Shareholders (Members) in the interest of the Company.

**ITEM NO 4:**

The Board of Directors at their meeting held on 14th June, 2019, has considered and approved, the appointment of Mr. Shrikrishna Baburam Pandey (DIN: 07035767), as an Additional Director (Category - Non-executive, Independent) of the Company effective from 14th June, 2019 to hold the office till the conclusion of ensuing Fourth (04th) Annual General Meeting of the Company.

Further, Mr. Shrikrishna Baburam Pandey (DIN: 07035767), is not disqualified from being appointed as a Director in terms of the provisions of Section 164 of the Companies Act, 2013 read with the rules made there under, and has given his consent to act as a Director (Category - Non-executive, Independent) of the Company. Moreover, he has submitted the declaration cum certificate of independence confirming that, he individually meets the criteria of independence as provided in Sub-Section (6), (7) and (8) of Section 149 and other applicable provisions of the Companies Act, 2013 read with relevant rules made there under, Schedule IV (Code for Independent Directors) to the Companies Act, 2013.

The Company has received a notice in writing from a Shareholder (Member) under Section 160 of the Act proposing the candidature of Mr. Shrikrishna Baburam Pandey (DIN: 07035767), for the office of a Director (Category - Non-executive, Independent) of the Company. The brief profile of Mr. Shrikrishna Baburam Pandey (DIN: 07035767), is provided in the Annex and forms part of the Notice.

The Board of Directors has considered, approved and recommended, a proposal to appoint Mr. Shrikrishna Baburam Pandey (DIN: 07035767), as a Director (Category - Non-executive, Independent) of the Company, under Section 149, 152 of the Act read with the rules made there under and the provisions of the Listing Regulations, to hold the office of a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, for a fixed first term of Five (5) consecutive years i.e. from the conclusion of Fourth (04th) Annual General Meeting up to the conclusion of Ninth (09th) Annual General Meeting of the Company to be held for the financial year 2023-2024 ending 31st March 2024.

Mr. Shrikrishna Baburam Pandey (DIN: 07035767), may be deemed to be interested in the Resolution set out at Item No. 4 of the Notice with regard to his appointment as a Director (Category - Non-executive, Independent) of the Company.

Except Mr. Shrikrishna Baburam Pandey (DIN: 07035767) for himself, being the appointee, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives, are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the Ordinary Resolution for approval of the Shareholders (Members) in the interest of the Company.

**ITEM NO 5:**

The Board of Directors at their meeting held on 14th June, 2019, has considered and approved, the appointment of Ms. Bandana Singh (DIN: 08008601), as an Additional Director (Category - Non-executive, Independent) of the Company effective from 14th June, 2019 to hold the office till the conclusion of ensuing Fourth (04th) Annual General Meeting of the Company.

Further, Ms. Bandana Singh (DIN: 08008601), is not disqualified from being appointed as a Director in terms of the provisions of Section 164 of the Companies Act, 2013 read with the rules made there under, and has given her consent to act as a Director (Category - Non-executive, Independent) of the Company. Moreover, she has submitted the declaration cum certificate of independence confirming that, she individually meets the criteria of independence as provided in Sub-Section (6), (7) and (8) of Section 149 and other applicable provisions of the Companies Act, 2013 read with relevant rules made there under, Schedule IV (Code for Independent Directors) to the Companies Act, 2013.

The Company has received a notice in writing from a Shareholder (Member) under Section 160 of the Act proposing the candidature of Ms. Bandana Singh (DIN: 08008601), for the office of a Director (Category - Non-executive, Independent) of the Company. The brief profile of Ms. Bandana Singh (DIN: 08008601), is provided in the Annex and forms part of the Notice.

The Board of Directors has considered, approved and recommended, a proposal to appoint Ms. Bandana Singh (DIN: 08008601), as a Director (Category - Non-executive, Independent) of the Company, under Section 149, 152 of the Act read with the rules made there under and the provisions of the Listing Regulations, to hold the office of a Director (Category - Nonexecutive, Independent) of the Company, not liable to retire by rotation, for a fixed first term of Five (5) consecutive years i.e. from the conclusion of Fourth (04th) Annual General Meeting up to the conclusion of Ninth (09th) Annual General Meeting of the Company to be held for the financial year 2023-2024 ending 31st March 2024.

Ms. Bandana Singh (DIN: 08008601), may be deemed to be interested in the Resolution set out at Item No.5 of the Notice with regard to her appointment as a Director (Category - Non-executive, Independent) of the Company.

Except Ms. Bandana Singh (DIN: 08008601) for herself, being the appointee, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives, are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the Ordinary Resolution for approval of the Shareholders (Members) in the interest of the Company.

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

**August 29, 2019, Surat**

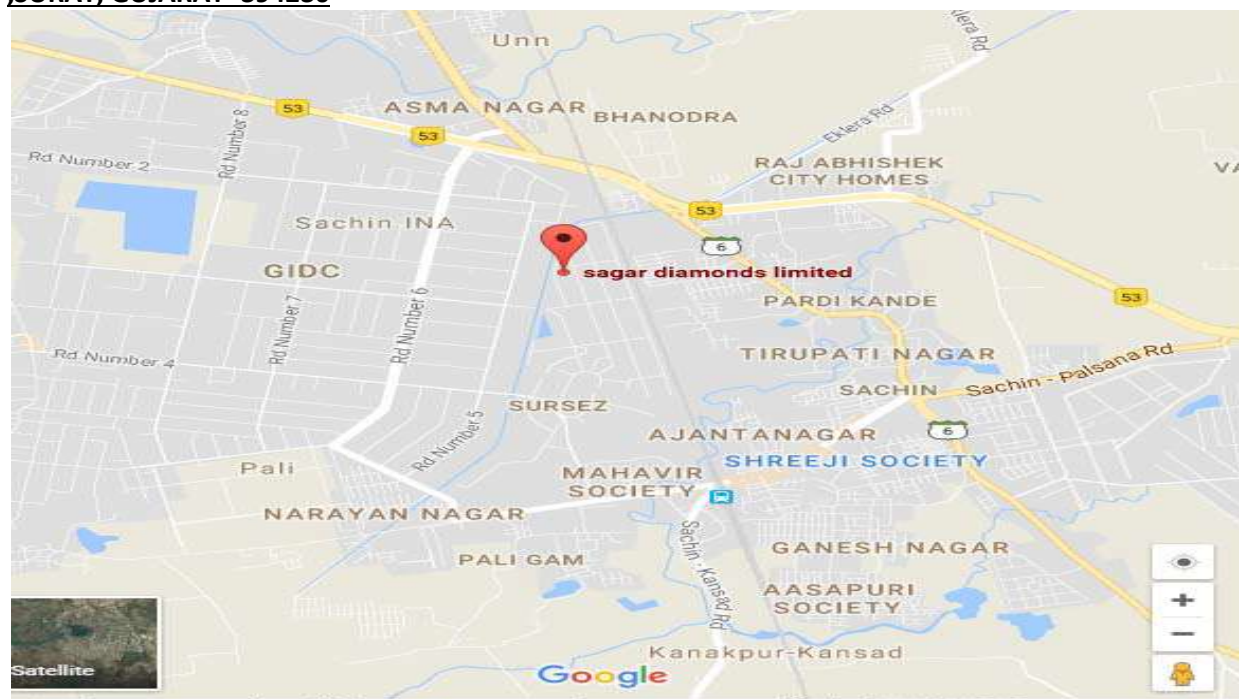
**Annexure-A**

**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. Rahil Hiteshbhai Chovatia</b>	<b>Mr. Manendra Pratap Singh</b>	<b>Mr. Shrikrishna Baburam Pandey</b>	<b>Ms. Bandana Singh</b>
<b>DIN</b>	07808004	01211097	07035767	08008601
<b>Designation</b>	Director	Independent Director	Independent Director	Independent Director
<b>Date of Birth</b>	29/11/1994	10/05/1971	10/01/1970	03/02/1986
<b>Nationality</b>	Indian	Indian	Indian	Indian
<b>Date of First/Original Appointment on Board</b>	29/05/2017	14/06/2019	14/06/2019	14/06/2019
<b>Expertise in Specific General Functional Area</b>	More than 7 years experience In field of Diamond and Jewellery	10 years experience in Corporate World and understanding of financials and working of Listed Companies	5 years experience	3 years post qualification experience
<b>Qualification</b>	Bachelor in Technology and is a GIA Diamond graduate.	MA	Under Graduate	MA
<b>Terms and Conditions of Appointment / Re-appointment</b>	Re-appointment on retiring by rotation	For term of Five years not liable to retire by rotation	For term of Five years not liable to retire by rotation	For term of Five years not liable to retire by rotation
<b>Directorship held in listed Companies</b>	NIL	1. Optimates Textile Industries Limited	1. Sagar Soya Products Limited 2. Blue Pearl Texspin Limited 3. Cressanda Solutions Limited	1. Cistro Telelink Limited 2. Blue Pearl Texspin Limited 3. Cressanda Solutions Limited
<b>Directorship held in other Companies</b>	1. Sagarempire Infraventures Private limited 2. RHCGlobal Exports Private Limited	1. Mahananda Enterprise Limited 2. Vrundavan Agro Industries Limited 3. Aircommand Airtechnics	1. Standard Mall Private Limited 2. Faridabad Festival City Private Limited 3. Profab	1. Sinecure Infrastructure Private Limited

	3. Sagarglobal Empire Private Limited	4. Aircommand India Limited	Fashions (India) Limited 4. PROSFL Private Limited	
<b>Membership/ Chairmanship of Committees of other Public Companies</b>	-	-	1. Sagar Soya Products Limited- Member of Nomination & Remuneration Committee 2. Cressanda Solutions Limited- Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholder Committee 2. Cressanda Solutions Limited- Member of Audit Committee	1. Blue Pearl Texspin Limited – Chairman of Audit Committee, Nomination and Remuneration Committee and Stakeholder relationship Committee 2. Cressanda Solutions Limited- Member of Audit Committee
<b>No. Of Shares held in the company</b>	3,400	-	-	-
<b>Relationship between Directors/KMP inter-se</b>	Brother-in-law of Vaibhav Dipak Shah (Managing Director)	-	-	-

**ROUTE MAP TO THE VENUE OF THE 04<sup>TH</sup> ANNUAL GENERAL MEETING OF SAGAR DIAMONDS LTD TO BE HELD ON MONDAY 30<sup>TH</sup> SEPTEMBER, 2019 AT UNIT NO. 101, PLOT NO. 193 SEZ DIAMOND PARK SACHIN ,SURAT, GUJARAT -394230**



**DIRECTORS' REPORT**

To  
The Members  
**SAGAR DIAMONDS LIMITED**

Your Directors have pleasure in presenting the 04<sup>th</sup> annual Report of the company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

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

<b>Particulars</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
Revenue from Operation	1,73,155.76	9,261.30
Other income	0.37	160.43
Profit Before Interest & Depreciation	777.56	320.41
(-) Finance Cost	18.90	57.21
(-) Depreciation	11.80	5.35
Net Profit before tax & Exceptional items	746.85	257.85
(+) Exceptional Items	0.00	0.00
Net Profit Before tax	746.85	257.85
(-) Tax Expense	168.75	23.50
<b>Net Profit for the year after tax</b>	<b>578.10</b>	<b>234.35</b>
Earnings per share (Basic & Diluted) (In Rs.)	<b>4.57</b>	<b>1.85</b>

**1. 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, 2019. During the year under review, no amount from profit was transferred to General Reserve.

**2. SHARE CAPITAL**

The Paid up equity share capital as on March 31st, 2019 was Rs. 1264.378 lakhs divided into 1,26,43,780 equity shares of Rs. 10 each. During the year under review, the Company has neither issued any shares/convertible warrant nor has granted any stock options and nor sweat equity.

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

During the year under review, your Company has recorded its net revenue from operations as Rs. 1,73,155.76 lakhs against revenue recorded of Rs. 9,261.30 lakhs in the previous year. The EBIDT recorded at Rs. 777.56 lakhs against last year's figure of Rs. 320.41 lakhs. Net profit after tax is recorded at Rs. 578.10 lakhs against previous year net profit of Rs. 234.35 lakhs.

**4. EXPORT**

The Company has exported diamonds & jewellery to Hong Kong. During the year under review, your Company has recorded export of Rs. 1,10,966.04 lakhs against export revenue recorded of Rs. 6,444.96 lakhs in the previous year.

**5. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is annexed as **Annexure- 1** to the Director's Report.



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

As on 31st March, 2019, 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.

**7. 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 crore and net worth not exceeding rupees twenty five crore, 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.

**8. FIXED DEPOSITS**

During the year under review the company has not accepted any deposits within the meaning of section 73 of the Companies Act, 2013 and the rules made there under.

**9. 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. Rahil Hiteshbhai Chovatia (DIN: 07808004) will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

The Board of Directors at their meeting held on 14th June, 2019, appointed Mr. Manendra Pratap Singh (DIN: 01211097), Mr. Shrikrishna Baburam Pandey (DIN: 07035767) and Ms. Bandana Singh (DIN: 08008601) as an Additional Director (Category - Non-executive, Independent) of the Company effective from 14th June, 2019 to hold the office till the conclusion of ensuing Fourth (04th) Annual General Meeting of the Company. The Company has received a notice in writing from a Shareholder (Member) under Section 160 of the Act proposing the candidature of Mr. Manendra Pratap Singh (DIN: 01211097), Mr. Shrikrishna Baburam Pandey (DIN: 07035767) and Ms. Bandana Singh (DIN: 08008601) for the office of a Director (Category - Non-executive, Independent) of the Company for period of five years, not liable to retire by rotation at ensuing Annual General Meeting of the Company.

During the year 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
Mr. Harshal Agarwal	Company Secretary	18/06/2018	17/05/2019
Ms. Pooja Jain	Company Secretary	01/08/2019	N.A
Mr. Sachin Ashok Dhobale	Chief Financial Officer	29/05/2017	13/12/2018
Mr. Vaibhav Dipak Shah	Chief Financial Officer	13/12/2018	N.A
Ms. Namrata Dattatray Tembe	Independent Director	08/07/2017	14/06/2019
Mr. Shahid Hussain Shaikh	Independent Director	08/07/2017	14/06/2019
Mr. Manendra Pratap Singh	Independent Director	14/06/2019	N.A
Mr. Shrikrishna Baburam Pandey	Independent Director	14/06/2019	N.A
Ms. Bandana Singh	Independent Director	14/06/2019	N.A



**10. 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.

**11. 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 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.

**12. MEETING OF BOARD OF DIRECTORS**

During the year, 12 (Twelve) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of which are as follow:

Sr. NO.	Date of Meeting	Board Strength	Directors Present
1.	03/04/2018	4	4
2.	30/05/2018	4	4
3.	18/06/2018	4	4
4.	25/08/2018	4	4
5.	06/09/2018	4	4
6.	11/10/2018	4	4
7.	14/11/2018	4	4
8.	12/12/2018	4	4
9.	13/12/2018	4	4
10.	27/12/2018	4	4
11.	22/01/2019	4	4
12.	30/03/2019	4	4

During F.Y 2018-19, Attendance of Directors at Board Meetings are given below:

Name of Director	Designation	Board Meeting Attendance	AGM Attendance on 29/09/2018
Vaibhav Dipak Shah	Managing Director	12/12	Yes
Rahil Hiteshbhai Chovatia	Non-executive Director	12/12	Yes
Shahid Hussain Gulam Nabi Shaikh	Independent Director	12/12	Yes
Namrata Dattatray Tembe	Independent Director	12/12	Yes

\* Mr. Sachin Ashok Dhobale resigned from CFO with effect from 13/12/2018 and to fill casual vacancy for post of CFO, Mr. Vaibhav Shah, Managing Director of Company appointed as CFO of the Company with effect from 13/12/2018.

### **13. 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 2018-19, the Audit Committee met 6 (Six) times on 30/05/2018, 25/08/2018, 06/09/2018, 14/11/2018, 22/01/2019 and 30/03/2019 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 F.Y 2018-19 are

Name	Designation	Category	No. of Meetings Attended
Mr. Shahid Hussain Gulam Nabi Shaikh	Chairman	Independent Director	6/6
Ms. Namrata Dattatray Tembe	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 29th September, 2018. 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 2018-19, 4 (Four) meetings of the Nomination and Remuneration Committee were held on 18/06/2018, 06/09/2018, 13/12/2018 and 30/03/2019.

The details of composition of the Committee and their attendance at the meetings during F.Y 2018-19 are

Name	Designation	Category	No. of Meetings Attended
Mr. Shahid Hussain Gulam Nabi Shaikh	Chairman	Independent Director	4/4

Ms. Namrata Dattatray Tembe	Member	Independent Director	4/4
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	4/4

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 29th September, 2018. 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 2018-19, 4 (Four) meeting of the Stakeholders' Relationship Committee was held on 18/06/2018, 06/09/2018, 13/12/2018 and 30/03/2019. During Financial year, Mr. Harshal Agarwal, Company Secretary is designated as Compliance Officer of the Company.

The details of composition of the Committee and their attendance at the meetings during F.Y 2018-19 are

Name	Designation	Category	No. of Meetings Attended
Mr. Shahid Hussain Gulam Nabi Shaikh	Chairman	Independent Director	4/4
Ms. Namrata Dattatray Tembe	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, 2019.

**14. 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.

#### **15. 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).

#### **16. 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-2**. 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)

#### **17. 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, 2019 is annexed as **Annexure-2**.

#### **18. CORPORATE SOCIAL RESPONSIBILITY**

During period under review, the provisions of the CSR expenditure and Composition of Committee as provided in the Section 135 of the Companies Act, 2013 is not applicable to the Company.

#### **19. 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, 2019, 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.

## **20. AUDITORS**

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

M/s. C.P. Jaria & Co, Chartered Accountant (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.

The Auditor's Reports for the Financial Year 2018-19 do not contain any qualification, reservation, adverse remark or disclaimer. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

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

### ***(b) Internal Auditors:***

The Board of the Company has appointed M/s Ravindra Dhakar & Associates, Chartered Accountants as Internal Auditors of the Company for financial year 2018-19.

### ***(c) Cost Auditors:***

During Financial year 2018-19, Provisions related to Cost Auditor is not applicable to the Company.

## **21. 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 2018-19. The Report of the Secretarial Auditors is annexed as **Annexure-3** in Form MR-3 to this Report.

The Comments mentioned in Secretarial Audit Report are self-explanatory except for Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 according to which the listed entity is required to submit financial result within 45 days from the end of quarter, There was an unintentional delay of 16 days in compliance with submitting financial result for quarter and half year ended 30.09.2018 and hence a penalty of Rs. 94,400/- was paid to stock exchange.

## **22. 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.

## **23. 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.

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

The nature of business is manufacturing of Jewellery. The inherent risks to the business of your Company are as follows:

- a. Foreign Exchange Risk
- b. Gold Price Risk
- c. Stiff Competition
- d. Government Policy on import of gold
- e. Risk elements in business transactions
- f. Labour Risk

The prices of Jewellery consist of Gold, Diamonds & Labour, out of this three, Gold and diamonds consist of 90% of the price of Jewellery. Your Company has no control on the price of Gold and Diamonds and the same is available through Exchanges, Market and Banks. The said risk shall results in favourable / unfavourable to your Company. The nature of risk is dynamic of business and entrepreneurship.

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

#### **25. 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.

#### **26. 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.

#### **27. INSURANCE**

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

#### **28. 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 2019-20.

#### **29. 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.

**30. INDUSTRIAL RELATIONS**

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

**31. 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.

**32. 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 2018-19 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2019 for redressal.

**33. 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.

**34. ACKNOWLEDGMENT**

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**

**For Sagar Diamonds Limited**

**Sd/-**

**(Rahil Hiteshbhai Chovatia)**

**Director**

Date: 29/08/2019

Place: Surat



## ANNEXURE-1 TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31/03/2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

i)	CIN No:	L36912GJ2015PLC083846
ii)	Registration Date:	15/07/2015
iii)	Name of the Company:	SAGAR DIAMONDS LIMITED
iv)	Category / Sub - Category of the Company:	Company Limited by shares/ Indian Non-Government Company
v)	Address of the Registered office and Contact details:	Unit No. 101, Plot No. 193 SEZ Diamond Park, Surat Gujarat - 394230
vi)	Whether listed company	Yes
vii)	Name of Registrar & Transfer Agents	Bigshare Services Pvt. Ltd
	Address & contact details of the Registrar:	Bharat Tin Works Building, 1st Floor ,Opp. Vasant Oasis, Makwana Road Marol, Andheri – East, Mumbai – 400059, Maharashtra, India. Board No : 022 – 62638205   Fax No : 022 – 62638299 Email id: lawoo@bigshareonline.com Website : www.bigshareonline.com

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / Services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of jewellery of gold, silver and other precious or base metal	32111	100.00

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Not Applicable					

### IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2018)				No. of Shares held at the end of the year (As on 31-March-2019)				% Changed during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	62,61,520	-	62,61,520	49.52	62,61,520	-	62,61,520	49.52	0.00
b) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	30,01,260	-	30,01,260	23.74	30,01,260	-	30,01,260	23.74	0.00

d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1)</b>	<b>92,62,780</b>	-	<b>92,62,780</b>	<b>73.26</b>	<b>92,62,780</b>	-	<b>64,88,660</b>	<b>73.26</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter(A) = (A)(1) + (A)(2)</b>	<b>92,62,780</b>	-	<b>92,62,780</b>	<b>73.26</b>	<b>92,62,780</b>	-	<b>92,62,780</b>	<b>73.26</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	2,00,000	-	2,00,000	1.58	+1.58
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	2,00,000	-	2,00,000	1.58	+1.58
<b>2. Non-Institutions</b>									
a) Indian Bodies Corporate	21,42,000	-	21,42,000	16.94	10,18,000	-	10,18,000	8.05	-8.89
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,81,773	-	5,81,773	4.60	5,90,879	-	5,90,879	4.67	+0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,48,000	-	6,48,000	5.13	15,18,000	-	15,18,000	12.01	6.88
c) Others (specify)									
Non Resident Indians	3,000	-	3,000	0.02	45,000	-	45,000	0.36	0.34
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	6,227	-	6,227	0.05	9,121	-	9,121	0.07	0.02
Trusts	-	-	-	-	-	-	-	-	-

Foreign Bodies- D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>33,81,000</b>	-	<b>33,81,000</b>	<b>26.74</b>	<b>31,81,000</b>	-	<b>33,81,000</b>	<b>25.16</b>	<b>-1.58</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>33,81,000</b>	-	<b>33,81,000</b>	<b>26.74</b>	<b>33,81,000</b>	-	<b>33,81,000</b>	<b>26.74</b>	<b>0.00</b>
<b>C. Shares held by Custodian and against which Depository Receipts have been issued</b>									
<b>1. Promoter and promoter Group</b>									
<b>2. Public</b>									
<b>Grand Total (A+B+C)</b>	<b>1,26,43,780</b>	-	<b>1,26,43,780</b>	<b>100.00</b>	<b>1,26,43,780</b>	-	<b>1,26,43,780</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding the year
		No. of Shares	% of total Shares of the company	% of Shares Pledge d / encum bered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encum bered to total Shares	
1	Meetaben Hiteshkumar Chovatiya	3400	0.03	-	3400	0.03	-	0.00
2	Dhaval Shah	3400	0.03	-	3400	0.03	-	0.00
3	Priya Dhaval Shah	3400	0.03	-	3400	0.03	-	0.00
4	Rahil Hiteshbhai Chovatia	3400	0.03	-	3400	0.03	-	0.00
5	Hiteshkumar Prabhulal Chovatiya	3400	0.03	-	3400	0.03	-	0.00
6	Nidhi Hiteshkumar Chovatia	16,660	0.13	-	16,660	0.13	-	0.00
7	SG Diamonds LLP	30,01,260	23.74	-	30,01,260	23.74	-	0.00
8	Vaibhav Dipak Shah	62,27,860	49.26	-	62,27,860	49.26	-	0.00
	<b>Total</b>	<b>92,62,780</b>	<b>73.26</b>	-	<b>92,62,780</b>	<b>73.26</b>	-	<b>0.00</b>

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year as on 01-04-2018		Cumulative Shareholding during the year as on 31-03-2019	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1	Vaibhav Dipak Shah				
	At the beginning	62,27,860	49.26	62,27,860	49.26
	Changes during the year	No changes during the year		No changes during the year	
	At the end	62,27,860	49.26	62,27,860	49.26
2	Nidhi Hiteshkumar Chovatia				
	At the beginning	16,660	0.13	16,660	0.13
	Changes during the year	No changes during the year		No changes during the year	

	At the end	16,660	0.13	16,660	0.13
3	Dhaval Dipak Shah				
	At the beginning	3,400	0.03	3,400	0.03
	Changes during the year	No changes during the year		No changes during the year	
	At the end	3,400	0.03	3,400	0.03
4	Priya Dhaval Shah				
	At the beginning	3,400	0.03	3,400	0.03
	Changes during the year	No changes during the year		No changes during the year	
	At the end	3,400	0.03	3,400	0.03
5	Hitesh Prabhulal Chovatia				
	At the beginning	3,400	0.03	3,400	0.03
	Changes during the year	No changes during the year		No changes during the year	
	At the end	3,400	0.03	3,400	0.03
6	Meetaben Hiteshkumar Chovatiya				
	At the beginning	3400	0.03	3400	0.03
	Changes during the year	No changes during the year		No changes during the year	
	At the end	3400	0.03	3400	0.03
7	Rahil Hiteshbhai Chovatiya				
	At the beginning	3400	0.03	3400	3400
	Changes during the year	No changes during the year		No changes during the year	
	At the end	3400	0.03	3400	3400
8	SG Diamonds LLP				
	At the beginning	30,01,260	23.74	30,01,260	23.74
	Changes during the year	No changes during the year		No changes during the year	
	At the end	30,01,260	23.74	30,01,260	23.74

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No	NAME	No. of Shares at the beginning/End of the year	Date	Increase/D ecrease in share-holding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
1	Gretex Share Broking Private Limited	1,362,000	31-Mar-18	0	Transfer	1,362,000	10.77
			13-Apr-18	-3000	Transfer	1,359,000	10.75
			20-Apr-18	-3000	Transfer	1,356,000	10.72
			27-Apr-18	3000	Transfer	1,359,000	10.75
			18-May-18	-6000	Transfer	1,353,000	10.70
			15-Jun-18	12000	Transfer	1,365,000	10.80
			22-Jun-18	3000	Transfer	1,368,000	10.82
			29-Jun-18	3000	Transfer	1,371,000	10.84
			13-Jul-18	3000	Transfer	1,374,000	10.87
			24-Aug-18	3000	Transfer	1,377,000	10.89

			31-Aug-18	3000	Transfer	1,380,000	10.91
			7-Sep-18	258000	Transfer	1,638,000	12.96
			14-Sep-18	135000	Transfer	1,773,000	14.02
			21-Sep-18	3000	Transfer	1,776,000	14.05
			5-Oct-18	3000	Transfer	1,779,000	14.07
			12-Oct-18	315000	Transfer	2,094,000	16.56
			26-Oct-18	3000	Transfer	2,097,000	16.59
			23-Nov-18	18000	Transfer	2,115,000	16.73
			7-Dec-18	15000	Transfer	2,130,000	16.85
			14-Dec-18	-6000	Transfer	2,124,000	16.80
			21-Dec-18	-198000	Transfer	1,926,000	15.23
			28-Dec-18	-401000	Transfer	1,525,000	12.06
			4-Jan-19	-327000	Transfer	1,198,000	9.48
			11-Jan-19	-87000	Transfer	1,111,000	8.79
			18-Jan-19	-228000	Transfer	883,000	6.98
			25-Jan-19	-219000	Transfer	664,000	5.25
			1-Feb-19	-216000	Transfer	448,000	3.54
			8-Feb-19	51000	Transfer	499,000	3.95
			15-Feb-19	-258000	Transfer	241,000	1.91
			22-Feb-19	-228000	Transfer	13,000	0.10
			1-Mar-19	-6000	Transfer	7,000	0.06
		7,000	30-Mar-19	0	Transfer	7,000	0.06
2	Unicon Tie Up Private Limited	414,000	31-Mar-18	0	Transfer	414,000	3.27
			22-Jun-18	66000	Transfer	480,000	3.80
			6-Jul-18	60000	Transfer	540,000	4.27
			7-Sep-18	-129000	Transfer	411,000	3.25
			14-Sep-18	-117000	Transfer	294,000	2.33
			12-Oct-18	-294000	Transfer	0	0.00
			30-Mar-19	0	Transfer	0	0.00
3	Globe Capital Market Limited	0	31-Mar-18		Transfer	0	0.00
			11-Jan-19	102000	Transfer	102,000	0.81
			18-Jan-19	228000	Transfer	330,000	2.61
			25-Jan-19	219000	Transfer	549,000	4.34
			22-Feb-19	200000	Transfer	749,000	5.92
			1-Mar-19	-400000	Transfer	349,000	2.76
		3,49,000	30-Mar-19	0	Transfer	349,000	2.76
4	Shree	0	31-Mar-18		Transfer	0	0.00

	Vishwamurte Tradinvest Pvt Ld		8-Feb-19	276000	Transfer	276,000	2.18
		276,000	30-Mar-19	0	Transfer	276,000	2.18
5	Canara Bank-New Delhi	0	31-Mar-18		Transfer	0	0.00
			29-Mar-19	200000	Transfer	200,000	1.58
		200,000	30-Mar-19	0	Transfer	200,000	1.58
6	Volga International Pvt Ltd	0	31-Mar-18		Transfer	0	0.00
			1-Feb-19	162000	Transfer	162,000	1.28
		162,000	30-Mar-19	0	Transfer	162,000	1.28
7	Sanjay Popatlal Jain	159,000	31-Mar-18	0	Transfer	159,000	1.26
			7-Sep-18	-126000	Transfer	33,000	0.26
			14-Dec-18	-33000	Transfer	0	0.00
			30-Mar-19	0	Transfer	0	0.00
8	Jitendri Hemchand Visaria	0	31-Mar-18		Transfer	0	0.00
			1-Feb-19	132000	Transfer	132,000	1.04
		132,000	30-Mar-19	0	Transfer	132,000	1.04
9	Popatlal Tarachand Jain	117,000	31-Mar-18	0	Transfer	117,000	0.93
			14-Dec-18	-3000	Transfer	114,000	0.90
		114,000	30-Mar-19	0	Transfer	114,000	0.90
10	NNM Securities Pvt Ltd	111,000	31-Mar-18	0	Transfer	111,000	0.88
			6-Apr-18	3000	Transfer	114,000	0.90
			13-Apr-18	6000	Transfer	120,000	0.95
			27-Apr-18	3000	Transfer	123,000	0.97
			4-May-18	3000	Transfer	126,000	1.00
			18-May-18	3000	Transfer	129,000	1.02
			15-Jun-18	-6000	Transfer	123,000	0.97
			22-Jun-18	3000	Transfer	126,000	1.00
			29-Jun-18	90000	Transfer	216,000	1.71
			31-Aug-18	3000	Transfer	219,000	1.73
			14-Sep-18	-102000	Transfer	117,000	0.93
			21-Sep-18	-3000	Transfer	114,000	0.90
			28-Sep-18	-39000	Transfer	75,000	0.59
			5-Oct-18	-6000	Transfer	69,000	0.55
			12-Oct-18	-42000	Transfer	27,000	0.21
			19-Oct-18	-3000	Transfer	24,000	0.19
			16-Nov-18	-21000	Transfer	3,000	0.02
			30-Nov-18	3000	Transfer	6,000	0.05
			7-Dec-18	-6000	Transfer	0	0.00
			21-Dec-18	3000	Transfer	3,000	0.02

			28-Dec-18	-3000	Transfer	0	0.00
			25-Jan-19	3000	Transfer	3,000	0.02
			15-Feb-19	9000	Transfer	12,000	0.09
			22-Feb-19	-6000	Transfer	6,000	0.05
			1-Mar-19	3000	Transfer	9,000	0.07
			15-Mar-19	-3000	Transfer	6,000	0.05
			22-Mar-19	-3000	Transfer	3,000	0.02
			29-Mar-19	6000	Transfer	9,000	0.07
		9,000	30-Mar-19	0	Transfer	9,000	0.07
11	Dhara Technosystem Llp	0	31-Mar-18		Transfer	0	0.00
			1-Mar-19	100000	Transfer	100,000	0.79
		100,000	30-Mar-19	0	Transfer	100,000	0.79
12	Purplestone Advisors Pvt Ltd	0	31-Mar-18		Transfer	0	0.00
			1-Mar-19	100000	Transfer	100,000	0.79
		100,000	30-Mar-19	0	Transfer	100,000	0.79
13	Hemchand Mulchand Ravji Visaria	0	31-Mar-18		Transfer	0	0.00
			1-Feb-19	87000	Transfer	87,000	0.69
		87,000	30-Mar-19	0	Transfer	87,000	0.69
14	Jackpot Vintrade pvt. Ltd.	87,000	31-Mar-18	0	Transfer	87,000	0.69
			29-Jun-18	-87000	Transfer	0	0.00
			30-Mar-19	0	Transfer	0	0.00
15	Hemant Rajendra Shah	0	31-Mar-18		Transfer	0	0.00
			18-Jan-19	78000	Transfer	78,000	0.62
		78,000	30-Mar-19	0	Transfer	78,000	0.62
16	Pinkey Nitin Jain	78,000	31-Mar-18	0	Transfer	78,000	0.62
		78,000	30-Mar-19	0	Transfer	78,000	0.62
17	Popatlal Tarachand Jain	66,000	31-Mar-18	0	Transfer	66,000	0.52
			28-Sep-18	-6000	Transfer	60,000	0.47
		60,000	30-Mar-19	0	Transfer	60,000	0.47
18	Balram Commodities Trade Private Limited	66,000	31-Mar-18	0	Transfer	66,000	0.52
			22-Jun-18	-66000	Transfer	0	0.00
			29-Jun-18	60000	Transfer	60,000	0.47
			6-Jul-18	-60000	Transfer	0	0.00
			30-Mar-19	0	Transfer	0	0.00
19	Sanjay Popatlal Jain	63,000	31-Mar-18	0	Transfer	63,000	0.50
		63,000	30-Mar-19	0	Transfer	63,000	0.50

**E) Shareholding of Directors and Key Managerial Personnel**



Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Mr. Rahil Hiteshbhai Chovatia (Director)				
	At the beginning of the year	3400	0.03	3400	0.03
	Changes during the year	No changes during the year		No changes during the year	
	At the end of the year	3400	0.03	3400	0.03
2.	Mr. Vaibhav Dipak Shah (Managing Director)				
	At the beginning of the year	62,27,860	49.26	62,27,860	49.26
	Changes during the year	No changes during the year		No changes during the year	
	At the end of the year	62,27,860	49.26	62,27,860	49.26
3.	Mr. Harshal Agarwal (Company Secretary)*				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-
4.	Ms. Namrata Dattatray Tembe (Independent Director)*				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-
5.	Mr. Shahid Hussain Shaikh (Independent Director)*				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-
5.	Mr. Sachin Ashok Dhobale (CFO)*				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-

\* Mr. Harshal Agarwal resigned w.e.f 17-05-2019, Ms. Namrata Dattatray Tembe resigned w.e.f 14-06-2019, Mr. Shahid Hussain Shaikh resigned w.e.f 14-06-2019 and Mr. Sachin Ashok Dhobale w.e.f 13-12-2018.

#### **V) INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	66,71,840	-	-	66,71,840
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	66,71,840	-	-	66,71,840
<b>Change in Indebtedness during the financial year</b>				
+ Addition	-	3,57,15,680	-	3,57,15,680
- Reduction	(12,28,376)	-	-	(12,28,376)
Net Change	(12,28,376)	3,57,15,680	-	3,44,87,304
<b>Indebtedness at the end of the</b>				

financial year				
i) Principal Amount	54,43,464	3,57,15,680	-	4,11,59,144
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>54,43,464</b>	<b>3,57,15,680</b>	-	<b>4,11,59,144</b>

**VI.REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. REMUNERATION TO DIRECTOR/ MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER**

Sr. No	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount (In lakhs)
		Mr. Vaibhav Shah (Managing Director)	-	
<b>1</b>	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.00	-	<b>60.00</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	
<b>2</b>	Stock Option	-	-	
<b>3</b>	Sweat Equity	-	-	
<b>4</b>	Commission	-	-	
	- as % of profit	-	-	
	- others, specify...	-	-	
<b>5</b>	Others, please specify	-	-	
	<b>Total (A)</b>	<b>60.00</b>	-	<b>60.00</b>
	Ceiling as per the Act	81.20		

**B. REMUNERATION TO OTHER DIRECTORS:**

Sr. No	Particulars of Remuneration	Name of Directors		Total Amount (In lakhs)
<b>1</b>	Independent Directors	Ms. Namrata Dattatray Tembe	Mr.Shahid Hussain Shaikh	
	(a) Fee for attending board committee meetings	1.70	1.70	3.40
	(b) Commission	-	-	-
	(c ) Others, please specify	-	-	-
	<b>Total (1)</b>	<b>1.70</b>	<b>1.70</b>	<b>3.40</b>
<b>2</b>	Other Non Executive Directors	Mr. Rahil Hiteshbhai		
	(a) Fee for attending board committee meetings	1.70	-	1.70
	(b) Commission	-	-	-
	(c ) Others, please specify.	-	-	-
	<b>Total (2)</b>	<b>1.70</b>	-	<b>1.70</b>
<b>Total (B)=(1+2)</b>		<b>5.10</b>		
<b>Total Managerial Remuneration (A+B)</b>		<b>65.10</b>		

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (In lakhs)
	Designation	CEO	CFO	Company Secretary	
	Name	-	Mr. Sachin Dhobale	Mr. Harshal Agrawal	
<b>1</b>	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.90	2.63	<b>6.53</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
<b>2</b>	Stock Option				
<b>3</b>	Sweat Equity				
<b>4</b>	Commission				
	- as % of profit				
	- others, specify...				
<b>5</b>	Others, please specify				
	Total	-	<b>3.90</b>	<b>2.63</b>	<b>6.53</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**ANNEXURE-2 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, 2019 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, 2019 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, 2019;
  - b. That there are no significant changes in accounting policies during the financial year ended 31st March, 2019; and
  - c. That there are no instances of significant fraud of which we have become aware.

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

Date: 29/08/2019  
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 & CFO of Sagar Diamonds Limited, hereby declare that all the Board Members and Senior Management Personnel have affirmed for the year ended 31st March, 2019 compliance with the respective Codes of Conduct laid down for them.

Place: Surat  
Date: 29/08/2019

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

**ANNEXURE-3 TO DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

[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  
Unit no 101, Plot no 193, SEZ Diamond Park,  
Sachin, Surat 394230 Gujarat.

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, 2019, 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, 2019 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Proper disclosures were made under these regulations, where required.**
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **Proper disclosures were made under these regulations.**
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015- **Proper disclosures were made under these regulations.**
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable;**
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable;**
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable;**

- f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable;**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
  - vi. As per information provided by the management and Board of directors of the company, 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 Standard - 1 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreement entered into by the Company with BSE Limited-SME exchange.;

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

- i. ***Half yearly financials were filed with delay with BSE***
3. We further report that:
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act.
  - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - III. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**Place: Indore**  
**Date: 29/08/2019**

## 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, 2019 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, 2019:

Name of the Director/KMP	Remuneration received (In Rs.)	% Increase in Remuneration in F.Y 2018-19	Ratio to median remuneration
Mr. Vaibhav Dipak Shah (Managing Director)	60,00,000	100.00	49
Mr. Sachin Ashok Dhobale (CFO)	3,90,000	38.79	3.15
Mr. Harshal Agarwal (Company Secretary)	2,63,700	-	N.A
Mr. Rahil Chovatia (Non-executive Director)	1,70,000	-	N.A
Mr. Shahid Hussain Shaikh (Independent Director)	1,70,000	-	N.A
Ms. Namrata Dattatray Tembe Independent Director)	1,70,000	-	N.A

- Median Remuneration for financial year 2018-19 is Rs. 1,23,654. The remuneration of employee for median is taken on the basis of employee whose employment period is more than 3 months during F.Y 2018-19.
- (2) During the financial year 2018-19, there was an increase of 38.27 % in the median remuneration of employees.
- (3) There were 19 permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2019.
- (4) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 5.64%.
- (5) 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 the year ended 31<sup>st</sup> March, 2019.

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 the company
1.	Vaibhav Dipak Shah	Managing Director	60,00,000	Permanent	B.com, GIA	12 years	2015	33	Sagar Gems, Proprietor	49.26	-
2.	Nidhi Shah	Finance Head	9,60,000	Permanent	B.com, CA			32	--	0.13	-
3.	Sachin Ashok Dhobale	CFO	3,90,000	Permanent	B.com, CA Inter	7 years	2017	28		-	-
4.	Hiren Trivedi	Office In Charge	2,76,667	Permanent	F.Y.B.com	5 years	2017	36	Sagar gems sachin	-	-
5.	Montu	Office In	2,70,000	Permanent	T.Y.B.com	10	2017	33	Sagar gems	-	-



	Gandhi	Charge				years			sachin		
6.	Harshal Agarwal	Company Secretary	2,63,700	Permanent	B.com, LLB, CS	6 Years	2018		Unison Metals Limited	-	-
7.	Tejas R.Patel	Casting	1,58,206	Permanent	S.S.C.	10 years	2017	35	Sagar gems sachin	-	-
8.	Deben Halder	D Setting	1,37,307	Permanent	-	5 years	2017	32	Sagar gems sachin	-	-
9.	Nilesh Dalvi	Office Boy	1,10,000	Permanent	-					-	-
10.	Rahul N.Halpati	Waxing	1,02,339	Permanent	S.S.C	10 years	2017	30	Sagar gems sachin	-	-

## 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 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.

- Details of Technology: N.A.
- Year of Import: N.A.
- Whether the technology has been fully absorbed: N.A.
- if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – N.A.

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Particulars	31/03/2019	31/03/2018
Foreign Exchange Earning	1,10,966.04	6,444.96
Foreign Exchange Outgo	1,23,532.09	7,993.23

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **Indian Economy:**

India still remains the fastest growing emerging economy in Asia and the world. The Indian economy expanded by 6.7% in F.Y 2018-19. The key drivers included the government's focus to reinvigorate core sectors like infrastructure, manufacturing, housing as well taking measures to increase financial inclusion. In addition to this, the Government's initiative to liberalize and simplify the foreign direct investment policies for several sectors, increased investment in infrastructure, focus on boosting rural economy by improving agricultural sector, facilitating entrepreneurship, and upgrading the taxation regime through implementation of the goods and services tax for economic development. Now, the GST is almost fully in place.

### **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 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).

India's gems and jewellery exports stood at US\$ 28.52 Billion between April 2018 – February 2019. During the same period, exports of cut and polished diamonds stood at US\$ 21.95 Billion, thereby contributing about 76.96% of the total gems and jewellery exports in value terms.

The gems and jewellery market in India is home to more than 300,000 players, with the majority being small players. Its market size is about US\$ 75 Billion as of 2017 and is expected to reach US\$ 100 Billion by 2025. It contributes 29% to the global jewellery consumption.

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. The Goods and Services Tax (GST) and monsoon will steer India's gold demand going forward.

**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 between April stricter quality norms and hallmarking.

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

In the coming years, growth in Gems and Jewellery sector would be largely contributed by the development of large retailers/brands. Established brands are guiding the organized market and are opening opportunities to grow. Increasing penetration of organized players provides variety in terms of products and designs. Also, the relaxation of restrictions of gold import is likely to provide a fillip to the industry. The improvement in availability along with the reintroduction of low cost gold metal loans and likely stabilisation of gold prices at lower levels is expected to drive volume growth for jewellers over short to medium term. The demand for jewellery is expected to be significantly supported by the recent positive developments in the industry.

**(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, since the jewellery conversion from gold typically requires 15 days. Strength of the balance sheet and access to easy credit is often required to facilitate and sustain ease in operations.

**Highlights of Performance:**

- Total net sales for the year were Rs. 1,73,155.76 Lakhs as compared to Rs. 9,261.30 Lakhs in 2017-18.
- Total profit after tax for the year was Rs. 578.10 Lakhs as compared to Rs. 234.35 Lakhs in 2017-18.

**Company Overview:**

With a combination of skilled craftsmen, world-class manufacturing facility and technology, 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.

**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.

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**Cautionary Statement:**

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

## **INDEPENDENT AUDITOR'S REPORT**

To The Members of  
**Sagar Diamonds Limited**

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

#### **Opinion**

We have audited the Financial Statements of Sagar Diamonds Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, and the statement of Profit and Loss 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 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 31<sup>st</sup> March, 2019 and profit for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- As per note 2.16 Revenue from Operation: Considerable Amount of export revenue is yet to be realised at the end of financial year.
- Debtors at the time of take- over of M/s Sagar Gems (Prop. Firm) are still outstanding and are yet to be recovered.

#### **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.

#### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report (but does not include the financial statements and our auditor's report thereon). The Directors Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

#### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, and financial performance of the Company in accordance with

the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

1. As required by required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraph 3 & 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"
  - g. The Company has complied with provisions of Section 197 read with Schedule V to the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which it was required to make a provision towards material foreseeable losses under any law or accounting standards.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Place: Surat**  
**Date: 30/05/2019**



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

**As referred to in paragraph 1 of report on other legal and regulatory requirements of our report of even date**

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by the management at reasonable intervals during the year.
  - (c) According to the information and explanations given by the Company management, no material discrepancies were identified on such verification.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and there is no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not 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. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, during the year, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)
  - (a) Undisputed statutory dues including income-tax, Goods and Service tax ("GST"), cess and other statutory dues have not been regularly deposited with the appropriate authorities and there are delays in large number of cases.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, GST and no other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to us, there are no dues of income tax, service tax, GST which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of loan from Bank. The outstanding amount of Loan as on 31-03-2019 was Rs. 54,43,464/-.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

- (x)** Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
- (xi)** According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are applicable to the company and remuneration paid to managerial person in within the specified limit under Companies Act, 2013
- (xii)** In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii)** According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are applicable to the company and accordingly all transactions with the related parties has been approved by the audit committee of the company.
- (xiv)** According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv)** According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi)** According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

**Place: Surat**  
**Date: 30/05/2019**

**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 **SAGAR DIAMONDS LIMITED**. ("The Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, 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 March 2019, 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)  
M.No.112020  
F.No.104058W

**Place: Surat**  
**Date: 30/05/2019**

**BALANCE SHEET AS AT 31ST MARCH, 2019**

(In Rs.)

Particulars	Note	31-03-2019	31-03-2018
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholder's Fund</b>			
Share Capital	2.1	12,64,37,800	12,64,37,800
Reserves & Surplus	2.2	31,97,00,877	26,18,90,816
Money Received against Share warrants		-	-
<b>Sub -Total</b>		<b>44,61,38,677</b>	<b>38,83,28,616</b>
<b>Share Application Money pending Allotment</b>		-	-
<b>Non-Current Liabilities</b>			
Long Term Borrowings	2.3	4,11,59,144	66,71,840
Deferred Tax Liability	2.4	9,74,890	3,09,068
<b>Sub -Total</b>		<b>4,21,34,034</b>	<b>69,80,908</b>
<b>Current Liabilities</b>			
Trade Payables	2.5	4,18,59,98,525	64,45,44,680
Other Current Liabilities	2.6	17,05,406	4,07,074
Short-term Provisions	2.7	1,62,09,221	20,41,210
<b>Sub -Total</b>		<b>4,20,39,13,152</b>	<b>64,69,92,964</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4,69,21,85,863</b>	<b>1,04,23,02,488</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Tangible Assets	2.8	2,80,51,268	1,70,46,040
Intangible Assets		-	-
Capital Work in Progress		31,12,987	-
Intangible Assets under Development			
<b>Sub -Total</b>		<b>3,11,64,255</b>	<b>1,70,46,040</b>
<b>Non-Current Investment</b>			
Deferred Tax Asset (Net)		-	-
Long Term Loans & Advances	2.9	15,29,82,354	15,70,60,894
Other Non Current Assets		-	-
<b>Sub -Total</b>		<b>15,29,82,354</b>	<b>15,70,60,894</b>
<b>Current Assets</b>			
Current Investment	2.10	10,32,333	-
Inventories	2.11	1,55,88,97,869	19,56,55,277
Trade Receivables	2.12	2,80,03,17,985	66,00,04,717
Cash & Cash Equivalents	2.13	6,68,59,570	19,66,468
Short Term Loans & Advances	2.14	7,36,21,592	35,00,000
Other Current Assets	2.15	73,09,905	70,69,092
<b>Sub -Total</b>		<b>4,50,80,39,254</b>	<b>86,81,95,554</b>
<b>TOTAL ASSETS</b>		<b>4,69,21,85,863</b>	<b>1,04,23,02,488</b>

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

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

Place: Surat  
Date: 30/05/2019

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2019**

(In Rs.)

Particulars	Note	31-03-2019	31-03-2018
Revenue from Operations	2.16	17,31,55,76,116	92,61,29,738
Other Income	2.17	37,381	1,60,43,015
<b>Total Revenue</b>		<b>17,31,56,13,497</b>	<b>94,21,72,753</b>
<b>Expenses</b>			
Cost of Materials Consumed		-	-
Purchase of Stock in trade	2.18	18,68,09,80,757	1,09,25,94,041
Changes in Inventories of Finished Goods, work-in-progress and Stock in trade	2.19	-1,36,32,42,592	-19,56,55,277
Employee Benefit Expenses	2.20	96,03,935	15,67,066
Finance cost	2.21	18,90,138	57,21,176
Depreciation and Amortization expenses	2.22	11,80,266	5,34,892
Other Expenses	2.23	-8,94,84,111	1,16,25,780
<b>Total Expenses</b>		<b>17,24,09,28,393</b>	<b>91,63,87,678</b>
<b>Profit before exceptional, extra ordinary items and tax</b>		<b>7,46,85,104</b>	<b>2,57,85,075</b>
Exceptional Items		-	-
<b>Profit before extra ordinary items and tax</b>		<b>7,46,85,104</b>	<b>2,57,85,075</b>
Extra ordinary items		-	-
<b>Profit before tax</b>		<b>7,46,85,104</b>	<b>2,57,85,075</b>
<b>Tax Expenses</b>	2.24		
(i) Current Tax		1,62,09,221	20,41,210
(ii) Deferred Tax		6,65,822	3,09,068
<b>Profit for the period from continuing operations</b>		<b>5,78,10,061</b>	<b>2,34,34,797</b>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
<b>Profit/(Loss) for the period</b>		<b>5,78,10,061</b>	<b>2,34,34,797</b>
<b>Earning Per Share</b>	2.25		
(I) Basic		4.57	1.85
(II) Diluted		4.57	1.85

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

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

Place : Surat  
Date : 30/05/2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019**

(In Rs.)

Particulars	31-03-2019	31-03-2018
<b>Cash Flows from Operating Activates</b>		
Net Profit Before Tax and Extra Ordinary Items	7,46,85,104	2,57,85,075
<b>Adjustment For</b>		
Depreciation	11,80,266	5,34,892
Foreign Exchange	(10,95,22,708)	(1,07,92,374)
Gain or loss of Sale of Fixed assets		18,72,535
Other income (interest and discount	(37,381)	
Finance Cost	18,90,138	57,21,176
Dividend Income		
Other adjustment of non cash Item	9,66,34,209	20,98,460
Other adjustment to reconcile Profit		23,50,59,799
<b>Total Adjustment to Profit/Loss (A)</b>	<b>(98,55,476)</b>	<b>23,44,94,488</b>
<b>Adjustment For working Capital Change</b>		
Adjustment for Increase/Decrease in Inventories	(1,36,32,42,592)	(19,56,55,270)
Adjustment for Increase/Decrease in Trade Receivables	(2,14,03,13,268)	(43,97,36,385)
Adjustment for Increase/Decrease in Other Current Assets	(7,03,62,405)	12,000
Adjustment for Increase/Decrease in Trade Payable	3,54,14,53,845	42,51,96,947
Adjustment for Increase/Decrease in other current Liabilities	12,98,332	70,78,914
Adjustment for Provisions	1,41,68,011	4,22,070
<b>Total Adjustment For Working Capital (B)</b>	<b>(1,69,98,077)</b>	<b>(20,26,81,724)</b>
<b>Total Adjustment to reconcile profit (A+B)</b>	<b>(2,68,53,553)</b>	<b>3,18,12,764</b>
<b>Net Cash flow from (Used in ) operation</b>	<b>4,78,31,551</b>	<b>5,75,97,839</b>
Dividend Received		
Interest received	-	
Interest Paid	(6,03,169)	(1,89,868)
Income Tax Paid/ Refund		(23,50,278)
<b>Net Cash flow from (Used in ) operation before Extra Ordinary Items</b>	<b>4,72,28,382</b>	<b>5,50,57,693</b>
Proceeds from Extra Ordinary Items		
Payment for Extra Ordinary Item		
<b>Net Cash flow From operating Activities</b>	<b>4,72,28,382</b>	<b>5,50,57,693</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds From fixed Assets		93,68,340
Proceeds from Investment or Equity Instruments		
Purchase of Fixed Assets	(1,52,98,481)	-2,44,40,646
Purchase Of Investments or Equity Instruments or advances made	(10,32,333)	(16,41,29,986)
Interest received	-	
Dividend Received		
Cash Receipt from Sale of Interest in Joint Venture		
Cash Payment to acquire Interest in Joint Venture		



Cash flow from loosing Control of subsidiaries		
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>	<b>(1,63,30,814)</b>	<b>(17,92,02,292)</b>
Proceeds from Extra Ordinary Items		
Payment for Extra Ordinary Item		
<b>Net Cash flow from (Used in ) in Investing Activities</b>	<b>(1,63,30,814)</b>	<b>(17,92,02,292)</b>
<b>Cash Flows from Financial Activities</b>		
Proceeds From Issuing Shares		12,63,37,800
Proceeds from Issuing Debenture /Bonds/Notes		
Redemption of Preference Share		
Redemption of Debenture		
Proceeds from other Equity Instruments		
Proceeds From Borrowing	3,57,15,680	
Repayment Of Borrowing	(12,28,376)	(18,95,000)
Dividend Paid		
Interest Paid	(4,91,769)	
Income Tax Paid/Refund		15,99,140
<b>Net Cash flow from (Used in ) in Financial Activities before Extra Ordinary Items</b>	<b>3,39,95,535</b>	<b>12,60,41,940</b>
Proceeds from Extra Ordinary Items		
Payment for Extra Ordinary Item		
<b>Net Cash flow from (Used in ) in Financial Activities</b>	<b>3,39,95,535</b>	<b>12,60,41,940</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>6,48,93,103</b>	<b>18,97,341</b>
Effect of exchange rate change on cash and cash equivalents		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,48,93,103</b>	<b>18,97,341</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>19,66,467</b>	<b>69,126</b>
<b>Cash and cash equivalents at end of period</b>	<b>6,68,59,570</b>	<b>19,66,467</b>

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

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

Place : Surat  
Date : 30/05/2019

## **NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **1. GENERAL**

Corporate information:

##### Nature of operations:

Sagar Diamonds Limited was (the 'Company') was incorporated on 15<sup>th</sup> 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 SME exchange of Bombay Stock Exchange (BSE).

The Financial Statements have generally been prepared on the historical cost convention. Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

#### **2. BASIS OF ACCOUNTING**

The company follows the mercantile system of accounting generally except otherwise stated herein below, if so.

#### **3. FIXED ASSETS**

Fixed assets are stated at cost of less accumulated depreciation. Depreciation has been provided at the rates and in accordance with the provisions of the Companies Act, 2013 on W.D.V.

#### **4. INVESTMENTS**

Investments are stated at cost where applicable

#### **5. INVENTORIES**

Inventory is valued as cost or market value whichever is lower. The value of diamonds and gem stones have been determined on the basis of representation of Management.

#### **6. REVENUE AND EXPENDITURE RECOGNITION**

The company recognizes revenue on the sale of products, net of discounts when the products are delivered to customers or when goods are delivered, which is when risk and rewards of ownership pass to customers. Sales include income exchange fluctuations relating to export receivables.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability and collectability exist.

#### **7. MISCELLANEOUS EXPENDITURE**

Miscellaneous Expenditure such as preliminary expenditure are amortized in a year.

#### **8. DEFERRED TAX**

The Deferred tax is recognized for all temporary differences subject to the consideration of prudence and at currently available rates. Deferred Tax assets are recognized only if there is virtual certainty that they will be realized.

#### **9. FOREIGN CURRENCY TRANSACTION**

##### **1. Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

2. Conversion Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

### 3. Exchange Difference

Exchange difference arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statement are recognized as income or as expense in the statement of profit and loss in the year in which they arise.

Balance of Debtors, Creditors, Banks and Unsecured Loans are subject to confirmation.

Export: 11,100,121,020 (\$158,493,943.59)

Import: 12,353,209,464 (\$172,859,465.21)

## 10. CONTINGENT LIABILITIES

Contingent liabilities are recognized only when there is a possible obligation arising from past events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources of, or where reliable estimate cannot be made. Obligations are assessed on going concern basis and only those having a largely probable outflow of resources are provided for. Contingent liabilities, if any, are not provided for in the financial statements but are separately shown by way of note. Contingent assets are neither recognized nor disclosed in the financial statements. Except the following there are no contingent liabilities which are to be recognized material

## 11. TRADE RECEIVABLE AND PAYABLE

Balances of trade payable and receivable are subject to confirmation, reconciliation and consequential adjustments, if any.

12. The amount due to Micro & Small Enterprises are based on the information provided by the management.

13. Figures of the previous year have been regrouped/re-cast wherever necessary.

## 14. Related Party Transaction:

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.

S. No.	Name of Related Parties	Nature of Relationship	Nature of Transaction	Amount (In Rs.)
1.	Vaibhav shah	Managing Director	Remuneration	60,00,000
2.	Nidhi Shah	Finance Head (Relative of Managing Director)	Remuneration	9,60,000
3.	Sachin Dhobale	Chief Finance Officer	Remuneration	3,90,000
4.	Harshal Agarwal	Company Secretary	Remuneration	2,63,700
5.	Sagar Gems	Entity in which Director is interested	Loan	12,79,306
6.	Rahil Chovatia	Director	Sitting Fees	1,70,000

**2.1 Share Capital**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Authorised</b>		
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 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 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 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>

Reconciliation of shares outstanding of Rs. 10 each	As at 31-03-2019	As at 31-03-2018
Shares outstanding at the beginning of the year	12,64,37,800	12,64,37,800
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	12,64,37,800	12,64,37,800

Shareholders holding more than 5% shares	%	Number of Shares
VAIBHAV DIPAK SHAH	49.26	62,27,860
SG DIAMONDS LLP	23.74	30,01,260

**2.2 Reserves & Surplus**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
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>
IPO Account	11,67,36,799	12,00,36,799
Adjusted Bonus Shares	-	-33,00,000
Adjusted writing off preliminary expenses	-	-
<b>Sub-total</b>	<b>11,67,36,799</b>	<b>11,67,36,799</b>
Profit & Loss Opening	2,68,19,017	33,84,220
Amount transferred from statement of P&L	5,78,10,061	2,34,34,797
<b>Sub-total</b>	<b>8,46,29,078</b>	<b>2,68,19,017</b>
<b>Total</b>	<b>31,97,00,877</b>	<b>26,18,90,816</b>

**2.3 Long Term Borrowing**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Loans Repayable on demand</b>		
<b>Secured</b>		
BMW Car Loan	54,43,464	66,71,840
<b>Sub-total</b>	<b>54,43,464</b>	<b>66,71,840</b>
Unsecured Loans	357,15,680	-
<b>Sub-total</b>	<b>357,15,680</b>	<b>-</b>
<b>Total</b>	<b>411,59,144</b>	<b>66,71,840</b>

**2.4 Deferred Tax Liability**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Deferred Tax Liability	9,74,890	3,09,068
<b>Total</b>	<b>9,74,890</b>	<b>3,09,068</b>

**2.5 Trade Payables**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Creditors Due small Micro Enterprises	-	-
Creditors For foreign Suppliers	92,21,58,453	40,22,65,959
Advance from Debtors	3,08,85,88,607	12,09,03,983
Creditors for Fixed Assets	3,52,151	-
Creditors for Expenses	-19,27,499	-4,26,299
Creditors for Goods	17,68,26,813	12,18,01,037
<b>Total</b>	<b>41859,98,525</b>	<b>6445,44,680</b>

**2.6 Other Current Liabilities**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Other Payables</b>	-	-
<b>Other Current Liabilities</b>		
Duties & Taxes	16,55,406	2,63,574
Provision	50,000	1,43,500
<b>Total</b>	<b>17,05,406</b>	<b>4,07,074</b>

**2.7 Short Term Provision**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Provision</b>		
<b>Current Tax</b>		
Provision for Income Tax	1,62,09,221	20,41,210
<b>Total</b>	<b>1,62,09,221</b>	<b>20,41,210</b>

## 2.8 Tangible Assets

(In Rs.)

Particulars	Gross				Depreciation					Net Value	
	Opening as on 01/04/2018	Addition during the year	Deduction during the year	Closing as on 31/03/2019	Opening as on 01/04/2018	During the Period	Deduction during the year	Other Adjustment	Closing as on 31/03/2019	Opening as on 01/04/2018	Closing as on 31/03/2019
Computer	43,301	3,89,648	-	4,32,949	11,586	36,758	-	-	48,344	31,715	3,84,605
Furniture & Fixtures	7,84,845	14,000	-	7,98,845	72,872	74,945	-	-	1,47,817	7,11,973	6,51,028
Plant & Machinery	1,42,44,160	38,78,346	-	1,81,22,506	4,50,434	9,64,078	-	-	14,14,512	1,37,93,726	1,67,07,994
Building	-	79,03,500	-	79,03,500	-	1,04,485	-	-	1,04,485	-	77,99,015
Land	25,08,626	-	-	25,08,626	-	-	-	-	-	25,08,626	25,08,626
Work in Progress	-	31,12,987	-	31,12,987	-	-	-	-	-	-	31,12,987
	<b>1,75,80,932</b>	<b>1,21,85,494</b>	<b>-</b>	<b>2,97,66,426</b>	<b>5,34,892</b>	<b>11,80,266</b>	<b>-</b>	<b>-</b>	<b>17,15,158</b>	<b>1,70,46,040</b>	<b>2,80,51,268</b>
Previous year	20,99,360	2,23,41,286	93,68,340	1,50,72,306	-	5,34,892	-	-	5,34,892	20,99,360	1,45,37,414

## 2.9 Long term Loans & Advances

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Security Deposit</b>		
<b>Secured, Considered Good</b>		
1% Security Deposit with BSE	15,21,450	15,21,450
BSNL Deposit	500	500
DGVCL Deposit	44,400	44,400
<b>Loans and Advances to related parties</b>		
<b>Secured, Considered Good</b>		
Loans & Advances (Assets)	9,54,78,817	9,82,78,051
Sagar Gems	5,59,37,187	5,72,16,493
<b>Total</b>	<b>15,29,82,354</b>	<b>15,70,60,894</b>

## 2.10 Non-Current Investment

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
<b>Investment</b>		
Fixed Deposit	10,32,333	-
<b>Total</b>	<b>10,32,333</b>	<b>-</b>

## 2.11 Inventories

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Raw Material	1,55,88,97,869	19,56,55,277
<b>Total</b>	<b>1,55,88,97,869</b>	<b>19,56,55,277</b>

## 2.12 Trade Receivables

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Trade Receivables		
<b>Secured, Considered Good</b>		
Within 6 months	2,70,73,83,425	-
Exceeding 6 Months	9,29,34,560	66,00,04,717
<b>Total</b>	<b>2,80,03,17,985</b>	<b>66,00,04,717</b>

**2.13 Cash and Cash Equivalents**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Cash in Hand	10,00,076	16,84,932
Balances with Banks	6,58,59,494	2,81,536
<b>Total</b>	<b>6,68,59,570</b>	<b>19,66,468</b>

**2.14 Short-term Loans & Advances**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Advance for Exhibition	5,00,000	-
Advance paid to Creditors	5,95,00,000	35,00,000
Advance to Staff	11,18,000	-
Advance Income tax	1,25,00,000	-
TDS Receivable	3,592	-
<b>Total</b>	<b>7,36,21,592</b>	<b>35,00,000</b>

**2.15 Other Current Assets**

(In Rs.)

Particulars	As at 31-03-2019	As at 31-03-2018
Insurance Claim Receivable	20,00,000	20,00,000
Prepaid Expenses	2,35,146	12,333
Other Current Assets	50,74,759	50,56,759
<b>Total</b>	<b>73,09,905</b>	<b>70,69,092</b>

**2.16 Revenue from Operations**

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
<b>Sale of Products</b>		
Manufactured Goods		
Export Sales	11,09,66,04,415	64,44,95,504
Local Sales (Mumbai)	1,67,56,78,461	2,40,61,962
OMS Sales (Mumbai)	4,52,43,76,285	23,63,12,623
OMS Sales		2,10,66,188
GST Collected on Sales	1,55,00,143	
Rounded Off – Sales	107	-4
<b>Other Operating Revenue</b>		
Freight & Other Handling Charges Received	34,16,705	1,93,465
<b>Total</b>	<b>17,31,55,76,116</b>	<b>9261,29,738</b>

**2.17 Other Income**

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
Discount Received	1,455	9,971
Interest on FD	35,926	-
Foreign Exchange On Import (Sachin)	-	1,60,26,593
Other Income	-	6,451
<b>Total</b>	<b>37,381</b>	<b>1,60,43,015</b>



**2.18 Purchases of Stock in trade**

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
Import Purchases (Sachin)	12,35,32,09,464	79,93,22,679
Local Purchases		8,78,00,998
Local Purchases (Mumbai)	5,18,22,85,220	16,62,64,432
Local Purchases (Sachin)	2,68,582	1,97,670
OMS Purchases (Mumbai)	1,12,87,18,372	3,89,81,372
Purchase of Chemical acid	-	3,080
CST paid on purchase	-	23,859
GST paid on purchases	1,64,99,009	-
Round off	110	-49
<b>Total</b>	<b>18,68,09,80,757</b>	<b>1,09,25,94,041</b>

**2.19 Changes in Inventory of Raw Material, Finished Goods, Work in Progress and Stock in Trade(In Rs.)**

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
Opening	19,56,55,277	-
Closing	<b>1,55,88,97,869</b>	<b>19,56,55,277</b>
<b>Increase/decrease</b>	<b>-1,36,32,42,592</b>	<b>-19,56,55,277</b>

**Details of changes in Inventory**

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
<b>Finished Goods</b>		
Rough Diamonds	-	-21,14,098
Pure Silver 1kg Bar	-83,55,962	-1,58,856
Pure Gold 999 TT Bar	-2,72,394	-5,44,774
Cut & Polished Diamonds	-13,16,51,504	-12,07,97,961
Color Stones	-1,41,86,18,009	-7,20,39,588
<b>Total</b>	<b>-1,55,88,97,869</b>	<b>-19,56,55,277</b>

**2.20 Employee Benefit Expenses**

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
Salary, Wages & Bonus		
Bonus Paid	1,27,250	58,500
Salary	77,38,700	5,12,960
Salary (Sachin)	14,64,816	9,78,817
<b>Staff Welfare Expenses</b>		
Staff Welfare	2,73,169	16,789
<b>Total</b>	<b>96,03,935</b>	<b>15,67,066</b>

**2.21 Finance Cost**

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
-------------	---------------------------------	---------------------------------

<b>Interest Expenses</b>		
Interest Charges (DGDC)	189	5,368
Interest on Loan for BMW	4,91,769	1,84,500
Interest on unsecured loan	7,95,200	
<b>Bank Charges</b>		
Bank Charges	5,72,977	2,58,074
Commission on operating of ASBA account	2,715	39,015
<b>Exchange Difference - Interest Financial Charges</b>		
Exchange Difference - Export (Sachin)		52,34,219
<b>Other Charges</b>		
Charges for Monitoring foreign investment fund	11,800	
Charges for Increase in Capital	15,488	
<b>Total</b>	<b>18,90,138</b>	<b>57,21,176</b>

**2.22 Depreciation & Amortization expenses**

(In Rs.)

<b>Particulars</b>	<b>For Year Ended on 31-03-2019</b>	<b>For Year Ended on 31-03-2018</b>
<b>Depreciation &amp; Amortization</b>		
Depreciation on tangible assets	11,80,266	5,34,892
<b>Total</b>	<b>11,80,266</b>	<b>5,34,892</b>

**2.23 Other Expenses**

(In Rs.)

<b>Particulars</b>	<b>For Year Ended on 31-03-2019</b>	<b>For Year Ended on 31-03-2018</b>
Export Related Expenses	37,89,330	1,83,290
Import Related Expenses	25,84,228	2,37,232
Brokerage & Commission	14,00,000	-
Custodian Sevice	5,40,000	50,446
Domain Registration	1,800	1,035
Electricity Expenses	1,40,065	47,497
Rent	1,06,000	80,000
Machinery tools	2,48,652	1,10,746
Business Promotion Expenses	71,235	-
Advertising Expenses	-	11,43,880
Audit Fees	50,000	1,48,440
Professional Fees	49,30,000	27,53,400
Courier Charges	9,016	490
Email solutions	10,000	-
Internet charges	26,309	2,641
IT Support Services	12,000	-
Foreign Exchange on Import	-9,94,77,895	-
Foreign Exchange on Export	-1,08,67,520	-
Logo Design Charges	-	28,750
Trade Mark Registration	-	20,000
IPO Expenses	-	38,07,821
Registration & Filing Fees	-	5,24,950
Annual Custody Fees FY 2018-19	53,100	63,500

Annual Hosting	12,000	-
Sme Annual Listing Fees	38,791	6,900
Membership Fees	1,72,792	76,883
Issuer Charges	53,100	-
BSE Charges	80,000	-
R&T/NSDL/CDSL Service Charges	50,850	40,250
DNB Report Charges	11,328	-
Logistics Services	84,443	-
Packet Charges	28,500	-
Credit report Charges	-	31,704
Security Charges	59,806	-
Loss on sale of BMW Car	-	18,72,535
Printing & Stationery	58,166	29,631
Postage Charges	54	-
Processing Fees	3,000	-
Repairs and Maintenance	7,74,859	1,20,514
BSI Package of BMW (Service Charges)	6,55,254	-
Service Charges (Maintenance Or Repair Services)	83,026	-
SEZ Online System Charges	52,000	4,600
SSL Certificate (Sachin)	5,000	-
Labour Charges	10,004	-
Insurance Charges Office	44,473	-
Telephone Charges	15,021	1,510
Testing Charges	52,000	4,600
Petrol Expenses	2,11,145	-
Conveyance Charges	15,200	405
Foreign Travelling Expenses	8,18,634	-
Travelling Expenses	16,88,262	1,65,390
Office Expenses	2,75,486	50,560
Water Charges	19,890	16,180
Income Tax Fy 2016-17	2,49,990	-
Interest on Income tax	410	-
Interest on TDS	65,850	-
Penalty on TDS	2,52,493	-
Late Fee - GST	5,720	-
Foreign Exchange Fluctuation Ac	1,08,962	-
Loss on Foreign Exchange Booking	8,22,708	-
Write off	10,352	-
<b>Total</b>	<b>-8,94,84,111</b>	<b>1,16,25,780</b>

#### 2.24 Tax Expense

(In Rs.)

Particulars	For Year Ended on 31-03-2019	For Year Ended on 31-03-2018
Current Income tax	1,62,09,221	20,41,210
Deferred Tax Expense	6,65,822	3,09,068
<b>Total</b>	<b>1,68,75,043</b>	<b>23,50,278</b>

**2.25 Earning Per Equity Share****(In Rs.)**

<b>Particulars</b>	<b>For Year Ended on 31-03-2019</b>	<b>For Year Ended on 31-03-2018</b>
Basic	4.57	1.85
Diluted	4.57	1.85

**For C.P.Jaria & Co**  
**Chartered Accountants**  
**Sd/-**  
**(P.K. Jain)**  
**M.No.112020**  
**F.No.104058W**  
**Place : Surat**  
**Date : 30/05/2019**

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

**SAGAR DIAMONDS LIMITED**

CIN NO: L36912GJ2015PLC083846

Reg office : Unit No. 101, Plot No. 193 SEZ Diamond Park, Sachin, Surat Gujarat 394230 India

Ph : +91-261-2397866 E-mail : cs@sagardiamonds.com

**ATTENDANCE SLIP**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Folio No/ DP ID No/ DPID No.:	
No. of Shares held:	

I /We hereby record my presence at the 04th Annual General Meeting of the Company to be held on Monday, 30th September, 2019 At 11:00 A.M. at "Unit No. 101, Plot No. 193 SEZ Diamond Park, Sachin, Surat Gujarat 394230 India

Name of the Shareholder/proxy:	
Name of proxy/ Authorized Representatives attending	

\_\_\_\_\_  
Signature of attending Shareholder/Proxy/  
Authorised representatives:

**NOTE:**

1. To be signed at the time of handing over this slip.
2. Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.

**SAGAR DIAMONDS LIMITED**

CIN NO: L36912GJ2015PLC083846

Reg office : Unit No. 101, Plot No. 193 SEZ Diamond Park Sachin, Surat Gujarat 394230 India

Ph : +91-261-2397866 E-mail : cs@sagardiamonds.com

**Form No. MGT- 11 - (PROXY FORM)**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the member (s):	
Registered address:	
E-mail Id:	
Folio No/ Client Id:	

I/We \_\_\_\_\_ being member(s) of above named company,  
hereby appoint

1.Name: \_\_\_\_\_

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

Email Id: \_\_\_\_\_ Signatures: \_\_\_\_\_ or falling him:

2.Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_ Signatures: \_\_\_\_\_ or falling him:

3.Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Email Id: \_\_\_\_\_ Signatures: \_\_\_\_\_ or falling him:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 04th Annual General Meeting of the Company, to be held on Monday, the 30th day of September, 2019 at 11.00 a.m. at Sagar Diamonds Ltd, Unit No. 101, Plot No. 193 SEZ Diamond Park Sachin ,Surat, Gujarat India- 394230 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

and at any adjournment thereof in respect of such Resolutions and in such manner as are indicated below.

No.	Resolutions	Vote (*Optional)	
		For	Against
Ordinary Business			
1.	Ordinary Resolution for Adoption of Audited Financial Statements of the Company for the financial year ended March 31st, 2019, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Ordinary Resolution for re-appointment of Mr. Rahil Hiteshbhai Chovatia (DIN: 07808004) as a Director of the Company, who retires by rotation.		
Special Business			
3.	Ordinary Resolution for appointment of Mr. Manendra Pratap Singh (DIN: 01211097) as an Non-Executive Independent Director of Company for period of five years.		
4.	Ordinary Resolution for appointment of Mr. Shrikrishna Baburam Pandey (DIN: 07035767) as an Non-Executive Independent Director of Company for period of five years.		
5.	Ordinary Resolution for appointment of Ms. Bandana Singh (DIN: 08008601) as an Non-Executive Independent Director of Company for period of five years.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ September, 2019.

\_\_\_\_\_  
 Signature of Shareholder

\_\_\_\_\_  
 Signature of Proxy holder

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 04<sup>th</sup> AGM.
  - Please complete all details including details of member(s) in above box before submission.
- \* It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Affix  
Revenue  
Stamp