



05TH

ANNUAL REPORT

2019-20



SAGAR DIAMONDS

**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	Independent Director
	: Mr. Shrikrishna Baburam Pandey	Independent Director
	: Ms. Bandana Singh	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>	: Plot no. 266-B, SEZ Diamond Park, Sachin, Surat 394 230 Gujarat India. Ph: +91-261-2397866 Email id: cs@sagardiamonds.com	
<b>Corporate Office</b>	: Ground Floor, Office No. 11, The Jewel, Opera House Mumbai 400 004 Maharashtra India. Ph: +91-22-49764730 Email id: cs@sagardiamonds.com	
<b>Plants</b>	: Plot no. 266-B, SEZ Diamond Park Sachin Surat GJ 394230 Ph : +91-261-2397866	
<b>Registrar &amp; Share Transfer Agents</b>	: “Bigshare Services Private Limited” 1 <sup>st</sup> Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai -400 059, Maharashtra, India. Phone no.: +91-22-62638200 Extn. 212   Fax: +91-22-62638299 Email id: sandeep@bigshareonline.com	
<b>Company Website</b>	: www.sagardiamonds.com	

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## **CORPORATE SNAPSHOT**

### ➤ **Procuring Rough Diamonds**

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

### ➤ **Exporting Diamond Jewellery**

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

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

### ➤ **Standard and Quality of Diamonds**

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

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

The year saw a challenging business environment with lower GDP growth, compared to the previous years. The COVID- 19 has severely affected businesses and society at large. Against this backdrop, your Company has delivered competitive, profitable and responsible growth.

I am pleased to inform you that your company has completed successfully financial year 2019-20 with Net profit after Tax for the year recorded Rs. 746.45 lakhs against previous year net profit of Rs. 578.10 lakhs. During the year under review, your Company has recorded net revenue from operations as Rs. 1,97,049.07 lakhs against revenue recorded of Rs. 1,73,155.76 lakhs in the previous year.

During Financial year 2019-20, Your Company's Export Sales has been recorded of Rs. 1,57,627.77 lakhs against export revenue recorded of Rs. 1,10,966.04 lakhs in the previous year.

In F.Y 2019-20, Your Company has successfully exported Diamonds and Jewellery in its Brand name to Hong Kong.

Details of our growth Strategies and your company' performances during Financial Year 2019-20 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**  
**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**

*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**

*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**

*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 FIFTH ANNUAL GENERAL MEETING of "SAGAR DIAMONDS LIMITED " will be held at the Registered Office at Plot no 266-B, SEZ Diamond Park, Sachin, Surat 394230 on **Wednesday, the 30<sup>th</sup> Day of September, 2020 at 12.00 noon** to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Vaibhav Dipak Shah (DIN: 03302936), who retires by rotation in terms of Section 152(6) of Companies Act, 2013 and being eligible offers himself for reappointment.

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

Date: September 01, 2020

Place: Surat

### **NOTES:-**

1. 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. CP Jaria & Co, Chartered Accountant (FRN No. 104058W) who were appointed in the 03rd Annual General Meeting held on 29th September, 2018 for a term of five consecutive years commencing from financial year 2018-19 up to Financial Year 2022-23.
2. **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.**
3. **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.**
4. 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.

5. 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.
6. 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.
7. The Register of Members and share Transfer Book shall remain closed from **THURSDAY, 24<sup>TH</sup> SEPTEMBER, 2020 TO WEDNESDAY, 30<sup>TH</sup> SEPTEMBER, 2020 (BOTH DAYS INCLUSIVE)** for purpose of 05<sup>th</sup> Annual General Meeting of the company.
8. 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.
9. 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.
10. 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.
11. Electronic copies of the Annual Report including Notice of the 05th 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).
12. 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.
13. Route-map to the venue of the Meeting is provided at the end of this Notice.
14. 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.

15. The facility for voting through Polling Paper shall be made available at AGM Venue and the Company has fixed 18th September, 2020 as cutoff date for identifying the shareholders for determining the eligibility to vote in Annual General Meeting.
16. 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.
17. 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).

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

September 01, 2020, Surat

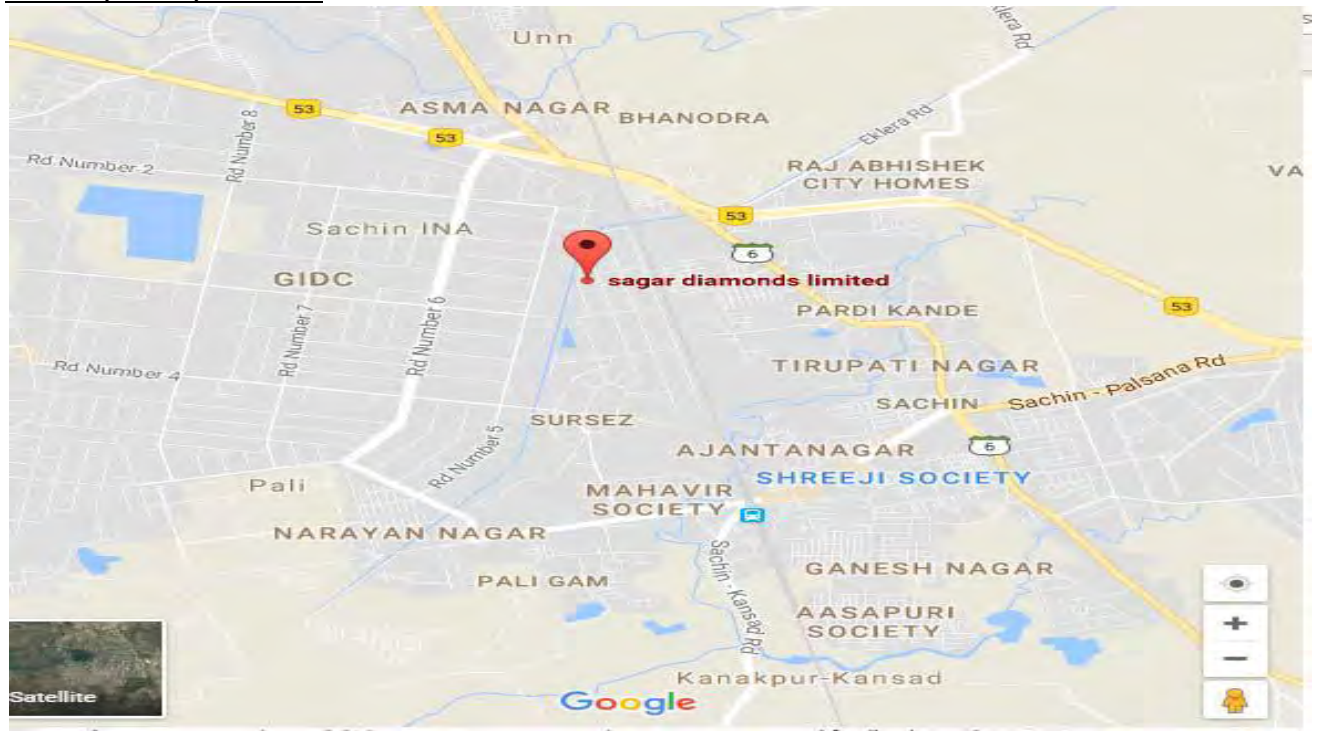
**Annexure-A**

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

<b>Name of Director</b>	<b>Mr. Vaibhav Dipak Shah</b>
<b>DIN</b>	03302936
<b>Designation</b>	Managing Director & CFO
<b>Date of Birth</b>	14/04/1986
<b>Nationality</b>	Indian
<b>Date of First/Original Appointment on Board</b>	15/07/2015
<b>Expertise in Specific General Functional Area</b>	Ten Years of experience In field of manufacturing and trading of Diamond, gold, precious stones and Jewellery.
<b>Qualification</b>	Bachelor in Commerce and is a GIA Diamond graduate.
<b>Terms and Conditions of Appointment / Re-appointment</b>	Re-appointment on retiring by rotation
<b>Directorship held in listed Companies</b>	1. Sagar Diamonds Limited
<b>Directorship held in other Companies/LLP</b>	1. Sagarempire Infraventures Private limited 2. Sagarglobal Empire Private Limited 3. SG Diamonds LLP
<b>Membership/ Chairmanship of Committees of other Public Companies</b>	-
<b>No. Of Shares held in the company</b>	62,27,860
<b>Relationship between Director/KMP inter-se</b>	Brother-in-law of Mr. Rahil Hiteshbhai Chovatia (Director)



**ROUTE MAP TO THE VENUE OF THE 05<sup>TH</sup> ANNUAL GENERAL MEETING OF SAGAR DIAMONDS LTD TO BE HELD ON WEDNESDAY 30<sup>TH</sup> SEPTEMBER, 2020 AT 12.00 noon AT PLOT NO. 266-B, SEZ DIAMOND PARK SACHIN ,SURAT, GUJARAT**



**DIRECTORS' REPORT**

To  
The Members  
**SAGAR DIAMONDS LIMITED**

Your Directors have pleasure in presenting the 05<sup>th</sup> annual Report of the company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

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

<b>Particulars</b>	<b>31/03/2020</b>	<b>31/03/2019</b>
Revenue from Operation	1,97,049.07	1,73,155.76
Other income	0.57	0.37
Profit Before Interest & Depreciation	977.28	777.56
(-) Finance Cost	38.17	18.90
(-) Depreciation	18.98	11.80
Net Profit before tax & Exceptional items	920.13	746.85
(+) Exceptional Items	0.00	0.00
Net Profit Before tax	920.13	746.85
(-) Tax Expense	173.68	168.75
<b>Net Profit for the year after tax</b>	<b>746.45</b>	<b>578.10</b>
Earnings per share (Basic & Diluted) (In Rs.)	<b>5.90</b>	<b>4.57</b>

**1. BUSINESS OVERVIEW**

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

**2. IMPACT OF COVID-19 PANDEMIC**

During the last month of the year under review, COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lockdowns. Due to the spread of COVID-19 and in accordance with the various initiatives and directions of both Central and State Government(s) from time to time including Janata curfew and subsequent nationwide lock down, the operations of the Company were suspended from March 22, 2020. After the end of third lockdown on May 17, 2020, the Company gradually started its business operations with minimum workforce combined with work from home policy. Hence, Company's sales and financials were adversely affected for the first quarter of 2020-21. The company believes the pandemic has not altered the fundamentals of the business significantly nor its viability. At the close of accounting year on March 31, 2020 the company had a strong balance sheet and a cash position. However the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from estimated as at the date of approval of these financials and reports. The Company will continue to monitor any material changes to future economic conditions.

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

During the year under review, your Company has recorded its net revenue from operations as Rs. 1,97,049.07 lakhs against revenue recorded of Rs. 1,73,155.76 lakhs in the previous year. The EBIDT recorded at Rs. 977.28 lakhs against last year's figure of Rs. 777.56 lakhs. Net profit after tax is recorded at Rs. 746.45 lakhs against previous year net profit of Rs. 578.10 lakhs.

**4. EXPORT**

The Company has exported diamonds and Jewellery to Hong Kong. During the year under review, your Company has recorded export of Rs. 1,57,627.77 lakhs against export revenue recorded of Rs. 1,10,966.04 lakhs in the previous year.

**5. DIVIDEND**

With a view to conserve the resources for the company's Business operations, your directors have deemed it prudent to not to recommend any dividend for the year ended 31<sup>st</sup> March, 2020.

**6. TRANSFER TO RESERVE**

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

**7. SHARE CAPITAL**

The Paid up equity share capital as on March 31, 2020 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.

**8. 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.

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

As on 31st March, 2020, your Company does not have any Joint Ventures, Subsidiaries and Associates Company. Hence, statement containing salient features of the financial statements of the Company's subsidiaries/ Associate Companies and Joint Venture in Form AOC-1 is not applicable to your company.

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

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

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

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

**11. 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.

**12. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, of Mr. Vaibhav Dipak Shah (DIN: 03302936) will retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

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
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

### **13. DECLARATION FROM INDEPENDENT DIRECTORS**

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

### **14. BOARD EVALUATION**

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

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

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

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

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

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

During the year, 11 (Eleven) Board Meetings were held. The intervening gap between the Meetings did not exceed the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of which are as follow:

Sr. NO.	Date of Meeting	Board Strength as on date of Board Meeting	Directors Present as on date of Board Meeting
1.	01/04/2019	4	4

2.	17/05/2019	4	4
3.	30/05/2019	4	4
4.	14/06/2019	5	5
5.	30/06/2019	5	5
6.	15/07/2019	5	5
7.	01/08/2019	5	5
8.	29/08/2019	5	5
9.	14/11/2019	5	5
10.	06/01/2020	5	5
11.	20/03/2020	5	5

During F.Y 2019-20, Attendance of Directors at Board Meetings are given below:

Name of Director	Designation	Board Meeting Attendance	Last AGM Attendance on 30/09/2019
Vaibhav Dipak Shah	Managing Director	11/11	Yes
Rahil Hiteshbhai Chovatia	Non-executive Director	11/11	Yes
Manendra Pratap Singh	Independent Director	8/8	Yes
Shrikrishna Baburam Pandey	Independent Director	8/8	Yes
Bandana Singh	Independent Director	8/8	Yes
*Shahid Hussain Gulam Nabi Shaikh	Independent Director	3/3	No
*Namrata Dattatray Tembe	Independent Director	3/3	No

\* Mr. Shahid Hussain Gulam Nabi Shaikh and Ms. Namrata Dattatray Tembe resigned from post of Independent Director with effect from 14/06/2019 and Mr. Manendra Pratap Singh, Mr. Shrikrishna Baburam Pandey and Ms. Bandana Singh appointed as Independent Director with effect from 14/06/2019.

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

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

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

During the financial year 2019-20, the Audit Committee met 6 (Six) times on 30/05/2019, 01/08/2019, 29/08/2019, 14/11/2019, 06/01/2020 and 20/03/2020 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings.

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

Name	Designation	Category	No. of Meetings Attended
Mr. Manendra Pratap Singh	Chairman	Independent Director	5/5
Ms. Bandana Singh	Member	Independent Director	5/5
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	6/6

*It is to be noted that during period under review Audit committee has been reconstituted on account of resignation of Independent director named Mr. Shahid Hussain Gulam Nabi Shaikh and Ms. Namrata Dattatray Tembe w.e.f 14/06/2019 and to fill the vacancy for post of Independent Director, Mr. Manendra Pratap Singh, Mr. Shrikrishna Baburam Pandey and Ms. Bandana Singh, appointed as Independent Director of the Company with effect from 14/06/2019.*

All the recommendations of the Audit Committee have been accepted by the Board of Directors. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 30th September, 2019. 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 2019-20, 6 (Six) meetings of the Nomination and Remuneration Committee were held on 17/05/2019, 14/06/2019, 01/08/2019, 29/08/2019, 20/12/2019 and 20/03/2020.

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

Name	Designation	Category	No. of Meetings Attended
Mr. Manendra Pratap Singh	Chairman	Independent Director	5/5
Ms. Bandana Singh	Member	Independent Director	5/5
Mr. Rahil Hiteshbhai Chovatia	Member	Non-executive Director	6/6

*It is to be noted that during period under review Nomination and Remuneration committee has been reconstituted on account of resignation of Independent director named Mr. Shahid Hussain Gulam Nabi Shaikh and Ms. Namrata Dattatray Tembe w.e.f 14/06/2019 and to fill the vacancy for post of Independent Director, Mr. Manendra Pratap Singh, Mr. Shrikrishna Baburam Pandey and Ms. Bandana Singh, appointed as Independent Director of the Company with effect from 14/06/2019.*

The Chairman of the NRC was present at the Annual General Meeting of the Company held on 30th September, 2019. 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 2019-20, 4 (Four) meeting of the Stakeholders' Relationship Committee were held on 30/05/2019, 29/08/2019, 20/12/2019 and 20/03/2020. Ms. Pooja Jain, Company Secretary is designated as Compliance Officer of the Company.

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

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

*It is to be noted that during period under review the Stakeholders' Relationship committee has been reconstituted on account of resignation of Independent director named Mr. Shahid Hussain Gulam Nabi Shaikh and Ms. Namrata Dattatray Tembe w.e.f 14/06/2019 and to fill the vacancy for post of Independent Director, Mr. Manendra Pratap Singh, Mr. Shrikrishna Baburam Pandey and Ms. Bandana Singh, appointed as Independent Director of the Company with effect from 14/06/2019.*

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, 2020.

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

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

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

During the Financial Year 2019-20, 2 (Two) meeting of the Corporate Social Responsibility Committee were held on 01/08/2019 and 20/03/2020.

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

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

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

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

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

- The candidate should possess the positive attributes such as leadership, Entrepreneurship or such other attributes which in the opinion of the committee are in the interest of the Company.
- The candidate should be free from any disqualification as provided under sections 164 and 167 of Companies Act, 2013
- The candidate should meet the conditions of being independent as stipulated under the companies act, 2013.

- The appointment or re- appointment of a Director is made pursuant to an established procedure which includes assessment of managerial skills, professional behaviour, technical skills and other requirements as may be required by the post.
- The Executive and Whole-time Directors of the Company are paid remuneration as per their terms and conditions which are approved by the Board after taking into Consideration the recommendations made by Nomination and Remuneration Committee.

#### **18. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

#### **19. CODE OF CONDUCT:**

The Board of Directors of the Company has formulated and adopted Code of Conduct for Board of Directors and Senior Management Personnel. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations. In this regard certificate from Managing Directors as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is annexed as **Annexure-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)

#### **20. CFO CERTIFICATION:**

In compliance with Regulation 17(8) of the Listing Regulations, a declaration by CFO was placed before the Board, certifying the accuracy of Financial Statements and the adequacy of internal controls pertaining to Financial Reporting for the year ended 31st March, 2020 is annexed as **Annexure-2**.

#### **21. CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility Policy is placed on the Company's website [www.sagardiamonds.com](http://www.sagardiamonds.com) As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed as **Annexure-3**.

#### **22. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures; the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for year ended on that date;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;



- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **23. AUDITORS**

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

M/s. C P Jaria & Co, Chartered 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 2019-20 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 Bipin Jain, Chartered Accountants as Internal Auditors of the Company for financial year 2019-20.

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

During Financial year 2019-20, Provisions related to Cost Auditor is not applicable to the Company.

### **24. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed Mr. Anmol Jha, Practising Company Secretary to conduct Secretarial Audit for the Financial Year 2019-20. The Report of the Secretarial Auditors is annexed as **Annexure-4** in Form MR-3 to this Report. There is no secretarial audit qualification for the year under review.

### **25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE**

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

### **26. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

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

The nature of business is manufacturing of Jewellery & Diamonds. The inheritant 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.

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

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

**29. INTERNAL FINANCIAL CONTROLS**

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

**30. INSURANCE**

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

**31. 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 2020-21.

**32. 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 -5** to the Director's Report.

**33. INDUSTRIAL RELATIONS**

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

**34. 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- 6** to the Director's Report.

**35. 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 2019-20 and hence no complaint is outstanding as on 31<sup>st</sup> March, 2020 for redressal.

**36. 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.

**37. 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: 01/09/2020

Place: Surat

## ANNEXURE-1 TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31/03/2020

[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:	Plot No. 266-B, SEZ Diamond Park, Sachin, 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-2019)				No. of Shares held at the end of the year (As on 31-March-2020)				% 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	2,00,000	-	2,00,000	1.58	0.00
c) Central Govt/ State Govt(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>2,00,000</b>	-	<b>2,00,000</b>	<b>1.58</b>	<b>2,00,000</b>	-	<b>2,00,000</b>	<b>1.58</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Indian Bodies Corporate	10,18,000	-	10,18,000	8.05	6,89,000	-	6,89,000	5.45	-2.60
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5,12,879	-	5,12,879	4.06	6,33,015	-	6,33,015	5.01	+0.95
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	12,63,000	-	12,63,000	9.99	11,34,000	-	11,34,000	8.97	-1.02
c) Others (specify)									
Hindu Undivided Family (HUF)	3,33,000	-	3,33,000	2.63	3,45,000	-	3,45,000	2.73	+0.09
Non Resident Indians	45,000	-	45,000	0.36	45,000	-	45,000	0.36	0.00
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-

Clearing Members	9,121	-	9,121	0.07	3,34,985	-	3,34,985	2.65	+2.58
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies- D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>31,81,000</b>	-	<b>31,81,000</b>	<b>25.16</b>	<b>31,81,000</b>	-	<b>33,81,000</b>	<b>25.16</b>	<b>0.00</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 as on 01-04-2019			Share holding at the end of the year as on 31-03-2020			% change in share holding the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered 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 01-04-2019		Cumulative Shareholding during the year as on 31-03-2020	
		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/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
						Number of Shares	Percentage of total shares of the company
1	Shree Vishwamurte Tradinvest Pvt Ltd	2,76,000	31-Mar-19			2,76,000	2.18
			23-Aug-19	1,62,000	Buy	4,38,000	3.46
			10-Jan-20	15,000	Buy	4,53,000	3.58
			13-Mar-20	-63,000	Sell	3,90,000	3.08
		3,90,000	31-Mar-20			3,90,000	3.08
2	Globe Capital Market Limited	3,49,000	31-Mar-19			3,49,000	2.76
			06-Dec-19	-1,19,000	Sell	2,30,000	1.82
			13-Dec-19	51,000	Buy	2,81,000	2.22

			20-Dec-19	-51000	Sell	2,30,000	1.82
			24-Jan-20	99,000	Buy	3,29,000	2.60
		3,29,000	31-Mar-20			3,29,000	2.60
3	Canara Bank- New Delhi	2,00,000	31-Mar-19			2,00,000	1.58
		2,00,000	31-Mar-20			2,00,000	1.58
4	Volga International Pvt Ltd	1,62,000	31-Mar-19			1,62,000	1.28
			23-Aug-19	-1,62,000	Sell	0	0.00
		0	31-Mar-20			0	0.00
5	Jitendri Hemchand Visaria	132,000	31-Mar-19			132,000	1.04
		132,000	31-Mar-20			132,000	1.04
6	Navratri Share Trading Private Limited	0	31-Mar-19			0	0.00
			06-Dec-19	1,20,000	Buy	1,20,000	0.95
		1,20,000	31-Mar-20			1,20,000	0.95
7	Popatlal Tarachand Jain	1,14,000	31-Mar-19			1,14,000	0.90
			09-Aug-19	-3000	Sell	1,11,000	0.88
		1,11,000	31-Mar-20			1,11,000	0.88
8	Dhara Technosystem LLP	1,00,000	31-Mar-19			1,00,000	0.79
		1,00,000	31-Mar-20			100,000	0.79
9	Purplestone Advisors Pvt Ltd	1,00,000	31-Mar-19			100,000	0.79
			06-Dec-19	-1000	Sell	99,000	0.78
			13-Dec-19	-99,000	Sell	0	0.00
		0	31-Mar-20			0	0.00
10	Hemchand Mulchand Ravji Visaria	87,000	31-Mar-19			87,000	0.69
		87,000	31-Mar-20			87,000	0.69
11	Hemant Rajendra Shah	78,000	31-Mar-19			78,000	0.62
			20-Dec-19	-12,000	Sell	66,000	0.52
		66,000	31-Mar-20			66,000	0.52
12	Pinkey Nitin Jain	78,000	31-Mar-19			78,000	0.62
			28-Jun-19	-3000	Sell	75,000	0.59
			09-Aug-19	-3000	Sell	72,000	0.57
			16-Aug-19	-3000	Sell	69,000	0.55
		69,000	31-Mar-20			69,000	0.55
13	Anchal Jimish Desai	69,000	31-Mar-19			69,000	0.55
		69,000	31-Mar-20			69,000	0.55



**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 & CFO)				
	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.	Ms. Bandana Singh (Independent Director)				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-
4.	Mr. Shrikrishna Baburam Pandey (Independent Director)				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-
5.	Mr. Manendra Pratap Singh (Independent Director)				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-
6.	Ms. Pooja Jain (Company Secretary)				
	At the beginning of the year	-	-	-	-
	Changes during the year	-		-	
	At the end of the year	-	-	-	-

**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	54,43,464	3,57,15,680	-	4,11,59,144
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	54,43,464	3,57,15,680	-	4,11,59,144
<b>Change in Indebtedness during the financial year</b>				
+ Addition	84,02,104	27,24,914	-	1,11,27,018
- Reduction	-	-	-	-
Net Change	84,02,104	27,24,914	-	1,11,27,018
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,38,45,568	3,84,40,594	-	5,22,86,162

ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,38,45,568</b>	<b>3,84,40,594</b>	-	<b>5,22,86,162</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 (Rs. 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>-</b>	<b>60.00</b>
	Ceiling as per the Act	<b>98.01</b>		

**B. REMUNERATION TO OTHER DIRECTORS:**

S N.	Particulars of Remuneration	Name of Directors					Total Amt. (In lakhs)
1	Independent Directors	Mr. Manendra Pratap Singh	Mr. Shrikrishna Baburam Pandey	Ms. Bandana Singh	Mr. Shahid Hussain Shaikh*	Ms. Namrata Dattatray Tembe*	
	(a) Fee for attending board committee meetings	-	-	-	0.25	0.22	0.47
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	<b>0.25</b>	<b>0.22</b>	<b>0.47</b>
2	Other Non Executive Directors	Mr. Rahil Hiteshbhai					
	(a) Fee for attending board committee meetings	-					-
	(b) Commission	-					-
	(c ) Others, please specify.	-					-
	<b>Total (2)</b>	-					-

<b>Total (B)=(1+2)</b>	<b>0.47</b>
<b>Total Managerial Remuneration (A+B)</b>	<b>60.47</b>

*\*Mr. Shahid Hussian Shaikh and Ms. Namrata Dattatray Tembe resigned w.e.f 14/06/2019.*

*Ms. Bandana Singh, Mr. Manendra Singh and Mr. Shrikrishna Pandey appointed on 14/06/2019.*

**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. Vaibhav Shah	Mr. Harshal Agarwal*	Ms. Pooja Jain	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	0.54	2.40	2.94
	(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					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- others, specify...					
5	Others, please specify					
	Total	-	-	0.54	2.40	2.94

*\*Mr. Harshal Agarwal resigned w.e.f 17/05/2019 and Ms. Pooja Jain appointed on 01/08/2019.*

**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, 2020 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, 2020 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, 2020;
  - b. That there are no significant changes in accounting policies during the financial year ended 31st March, 2020; and
  - c. That there are no instances of significant fraud of which we have become aware.

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

Date: 01/09/2020  
Place: Surat

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

I, Vaibhav Dipak Shah, Managing Director of Sagar Diamonds Limited, hereby declares that all the Board Members and Senior Management Personnel have affirmed for the year ended 31st March, 2020 compliance with the respective Codes of Conduct laid down for them.

Place: Surat  
Date: 01/09/2020

Sd/-  
(Vaibhav Dipak Shah)  
Managing Director

### ANNEXURE-3 TO DIRECTORS' REPORT ANNUAL REPORT ON CSR ACTIVITIES

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

2. **Composition of CSR Committee:**

Name	Designation	Category
Mr. Rahil Hiteshbhai Chovatia	Chairman	Non-executive Director
Mr. Vaibhav Dipak Shah	Member	Managing Director
Mr. Manendra Pratap Singh	Member	Independent Director

3. **Average net profits of the Company for last three financial years:** Rs. 357.81 lakhs  
 4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above):** Rs. 7.16 lakhs  
 5. **Details of CSR spent during the financial year:**  
 a) Total amount to be spent for the financial year: Rs. 7.16 lakhs  
 b) Amount unspent, if any: Rs. 7.16 lakhs  
 c) Manner in which the amount spent during the financial year is detailed below:

Sr No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1.	None	N.A	N.A	N.A	Nil	Nil	N.A

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:**

The prescribed CSR funds that could not be spent during the year/previous year(s) due to delay in identification of projects as it was first year of applicability of CSR Rules to your company. The Company was in search of an appropriate route for such expenditure. However, the Company is committed for meeting its future CSR expenditure requirements, as soon as appropriate project has been identified by company.

**7. Responsibility Statement:**

The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-

Vaibhav Dipak Shah  
(Managing Director & CFO)

Sd/-

Rahil Hiteshbhai Chovatia  
(Chairman CSR Committee)

**ANNEXURE-4 TO DIRECTORS' REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, 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, 2020 according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under;
  - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Proper disclosures were made under these regulations, where required.**
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;- **There was no such event during the year.**
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;-**Proper disclosures were made under these regulations.**
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;- **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable.**
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;- **There were no events occurred during the year which were attracting the provisions of these Guidelines and hence not applicable.**
    - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**

- f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;- **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **There were no events occurred during the year which were attracting the provisions of these Regulations and hence not applicable.**
- vi. As per information provided by the management and Board of directors of the company, 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.
3. We further report that:
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Key Managerial Personnel that took place during the period under review were carried out in compliance with the provisions of the Act;
  - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
  - III. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Anmol Jha**  
**Company Secretaries**  
**CS Anmol Jha**  
**Membership No.: 39714**  
**CP No.: 14872**  
**UDIN: A039714B000657683**

**Place: Indore**  
**Date: 01/09/2020**

**ANNEXURE-5 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, 2020 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, 2020:

Name of the Director/KMP	Remuneration received (In Rs.)	% Increase in Remuneration in F.Y 2019-20	Ratio to median remuneration
Mr. Vaibhav Shah (Managing Director)	60,00,000	0.00	90.95
Ms. Pooja Jain (Company Secretary)	2,40,000	-	N.A
Mr. Harshal Agarwal* (Company Secretary)	54,000	-	N.A
Mr. Rahil Chovatia (Non-executive Director)	-	-	N.A
Mr. Manendra Singh (Independent Director)	-	-	N.A
Mr. Shrikrishna Pandey (Independent Director)	-	-	N.A
Ms. Bandana Singh (Independent Director)	-	-	N.A
Mr. Shahid Shaikh* (Independent Director)	25,000	-	N.A
Ms. Namrata Tembe* (Independent Director)	22,000	-	N.A

\*Mr. Harshal Agarwal resigned w.e.f 17/05/2019 and Mr. Shahid Shaikh, Ms. Namrata Tembe resigned w.e.f 14/06/2019. Ms. Pooja Jain appointed on 01/08/2019 and Ms. Bandana Singh, Mr. Manendra Singh and Mr. Shrikrishna Pandey appointed on 14/06/2019.

It is to be noted that Independent Directors have received Sitting fees.

- (2) Median Remuneration of employee for financial year 2019-20 is Rs. 65,970.50
- (3) During financial year 2019-20, there was an increase of 173.59% in the median remuneration of employees due to increase in number of employees during year.
- (4) There were 62 permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2020.
- (5) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 91.30% due to increase in number of employees during year.
- (6) It is affirmed that the remuneration paid is as per remuneration policy of the company.

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

- a) Details of top ten employee in terms of gross remuneration paid during year ended 31<sup>st</sup> March, 2020.

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	34	Sagar Gems, Proprietor	49.26	-
2.	Nidhi Shah	Finance Head	9,60,000	Permanent	B.com, CA			33	--	0.13	-
3.	Naina Hathisingh Barot	Accountant	5,73,171	Permanent	B.Com	3 years	2019	28		-	-
4.	Montu Gandhi	Office In Charge	3,60,000	Permanent	T.Y.B.com	10 years	2017	33	Sagar gems sachin	-	-



5.	Hiren Trivedi	Office In Charge	3,06,833	Permanent	F.Y.B.com	5 years	2017	36	Sagar gems sachin	-	-
6.	Nandlal Gadri	CHIEF	3,02,768	Permanent	12 <sup>TH</sup> PASS	10 years	2019	38			
7.	Sachin Ashok Dhobale	CFO	2,98,350	Permanent	B.Com, Inter CA	8 years	2017	29	-	-	-
8.	Pooja Surendra Jain	CS	2,40,000	Permanent	B.com, CS	4 years	2019	28	-	-	-
9.	Deben Halder	D Setting	1,92,193	Permanent	-	6 years	2017	33	Sagar gems sachin	-	-
10.	Smita Udaykant Dubey	Account Assistant	1,88,262	Permanent	B.com	-	2019	23	-	-	-

### ANNEXURE-6 TO DIRECTORS' REPORT

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

#### A. CONSERVATION OF ENERGY:

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

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

#### B. TECHNOLOGY ABSORPTION

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

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

##### II. Benefits derived: NIL

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

- 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	31/03/2020	31/03/2019
Foreign Exchange Earning	1,57,627.78	1,10,966.04
Foreign Exchange Outgo	1,44,793.85	1,23,532.09

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

### **Indian Economy:**

The Indian economy registered a growth of 4.2% in Financial Year ('FY') 2019-20, much lower than the 6.1% in FY 2018-19 (Source: IMF). This is the lowest growth that India has recorded in the past 11 years.

During FY20, the Indian economy witnessed series of challenges given the decline in overall investments, private consumption and regulatory uncertainty. Additionally, NBFC liquidity issues and rural stress further impacted the economy. To counter these challenges, the Central Government announced a series of structural reforms. Amongst these reforms, the announcement to substantial reduction of the corporate tax rate had been one of the most notable initiatives undertaken by the Government to boost sustainable economic growth.

Q4FY20 witnessed lower economic activity due to the restrictions and lockdowns in the month of March, owing to Covid-19 pandemic, which typically tends to be a month which sees increased output with businesses trying to meet targets before the end of the financial year. Overall, the pace of growth across key sectors, private consumption and investment saw a sharp decline during the quarter and was a drag on growth for the full year.

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

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

Based on its potential for growth and value addition, the Government of India has declared the Gems and Jewellery sector as a focus area for export promotion. The Government has recently undertaken various measures to promote investments and to upgrade technology and skills to promote 'Brand India' in the international market. India is deemed to be the hub of the global jewellery market because of its low costs and availability of high-skilled labour.

India's gems and jewellery sector is one of the largest in the world, contributing 29 per cent to the global jewellery consumption. The sector is home to more than 300,000 gems and jewellery players. Its market size will grow by US\$ 103.06 billion during 2019-2023. India's gems and jewellery export stood at US\$ 29.01 billion in FY20P.

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). During the same period, India exported US\$ 18.66 billion worth of cut and polished diamonds, thereby contributing 64 per cent of the total gems and jewellery export.

Gems and Jewellery comprises of the following sub-sectors:

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

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

**Industry Trend – Diamond Jewellery:**

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

**Impact of COVID-19**

Currently, the sales of the Company are impacted due to outbreak of COVID-19 and the prevailing conditions. The Company has already lost the sales of the Navratras, Akshay Tritiya as well of summer wedding season. Though the lock down is now being relaxed gradually the consumer sentiments and the footfalls are expected to remain muted for the coming few months and the situation is expected to start returning to normal only in Q3 FY21.

**Company Overview:**

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

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

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

**Highlights of Performance:**

- Total net sales for year were Rs. 1,97,049.07 Lakhs as compared to Rs. 1,73,155.76 Lakhs in 2018-19.
- Total profit after tax for the year was Rs.746.45 Lakhs as compared to Rs. 578.10 Lakhs in 2018-19.

**Audit and Internal Control System:**

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

**Human Resources & Industrial Relation:**

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

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**Cautionary Statement:**

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

**INDEPENDENT AUDITOR'S REPORT**

To The Members of  
Sagar Diamonds Limited

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

We have audited the financial statements of SAGAR DIAMONDS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and its Profit and loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No.	Key Audit Matters	How our audit addressed the Key Audit Matters and Opinion on same
1.	Realization of Export Proceeds	<ul style="list-style-type: none"> <li>We checked the bank statement for collection and other related supported documents of exports.</li> <li>We are hereby stating the fact that Considerable Amount of export revenue is yet to be realised at the end of financial year.</li> </ul>
2.	Export Bill Discounting	<ul style="list-style-type: none"> <li>Company entered into a transaction of Export bill discounting during the year.</li> <li>We have checked the related documents for authenticity and accuracy of transaction.</li> <li>However, documents made available to us regarding the same are dated 15<sup>th</sup> March, 2020 and payments received against the same transaction are since April 2019.</li> </ul>

Sl. No.	Key Audit Matters	How our audit addressed the Key Audit Matters and Opinion on same
3.	Profit/Loss on Foreign Exchange	<ul style="list-style-type: none"> <li>We have checked the accuracy of realized and accrued forex profit/loss amount so calculated as per the AS - 11.</li> </ul>
4.	Confirmation of o/s Debtors & Creditors	<ul style="list-style-type: none"> <li>Due to COVID – 19, we are not able to get the third party confirmation from debtors and creditors timely.</li> <li>So, we relied on information and supporting documents received from the Management for the same.</li> </ul>
5.	Closing Stock	<ul style="list-style-type: none"> <li>No physical verification was practically possible this year due to COVID – 19 and we had to rely on statement and details of stock as on 31<sup>st</sup> March, 2020 certified by the Management.</li> </ul>
6.	Compliance of CSR	<ul style="list-style-type: none"> <li>The Company has not done CSR expenditures during the year but has made the provision of CSR in books of accounts and parked the specified amount in its Bank account for payment.</li> </ul>

**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 information contained in the Company's Annual Report but does not include the financial statements and our auditor's report thereon. The Annual 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, financial performance, changes in equity and cash flows of the Company in accordance 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors 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 the Board of Directors 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending 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 CP Jaria & Co.**  
**Chartered Accountants**  
**Sd/-**  
**(Pankaj Jain)**  
**Partner**  
**M.No.112020**  
**FRNo.104058W**  
**UDIN: 20112020AAAACB7352**

**Place : Surat**  
**Date : 31/07/2020**

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

**Annexure referred to in paragraph 1 of our report of even date to the members of Sagar Diamonds Limited on the accounts of the company for the year ended 31.03.20**

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

<b>S. No.</b>	<b>Particulars</b>	<b>Auditors Remark</b>
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Yes
	b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Yes
	(c) Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes.
(ii)	whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	Yes
(iii)	whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	Yes
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company’s interest;	No.
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Yes
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	N.A
(iv)	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Yes
(v)	in case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	No
(vi)	whether maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	No
(vii)	(a) whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	Yes

	(b) where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	N.A.
(viii)	whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	No
(ix)	whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	N.A.
(x)	whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	No
(xi)	whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	Yes
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	N.A.
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	Yes
(xiv)	whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	N.A.
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with	No
(xvi)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	NA

For CP Jaria & Co.  
Chartered Accountants

Sd/-  
(Pankaj Jain)  
Partner

M.No.112020

FRNo.104058W

UDIN: 20112020AAAACB7352

Place : Surat

Date : 31/07/2020

**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 March 2020 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.

*However, Due to Global Pandemic COVID – 19, there may some areas where more attention needed which is practically impossible so we had to rely on statements and facts stated and certified by management.*

**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 2020, 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 CP Jaria & Co.**  
**Chartered Accountants**  
**Sd/-**  
**(Pankaj Jain)**  
**Partner**  
**M.No.112020**  
**FRNo.104058W**  
**UDIN: 20112020AAAACB7352**

**Place : Surat**  
**Date : 31/07/2020**

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2020**

(Rs. in Lakhs unless otherwise stated)

Particulars	Note	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	387.16	280.51
Capital Work in Progress		54.39	31.13
Intangible Assets		-	-
Financial assets			
Investment in a joint venture		-	-
Investment in others		-	-
Loans		-	-
Others		-	-
Other non-current assets	3	-	736.22
<b>Total Non-Current Assets</b>		<b>441.55</b>	<b>1,047.86</b>
<b>Current Assets</b>			
Inventories	4	6,426.63	15,588.98
Financial Assets			
Trade Receivables	5	33,127.67	28,003.18
Cash & Cash Equivalents	6	12.51	668.60
Bank balances other than above	7	0.93	10.32
Loans	8	2,978.18	1,529.82
Others		-	-
Current tax assets (Net)	9	6.33	-
Other Current Assets	10	3.57	73.10
<b>Total Current Assets</b>		<b>42,555.82</b>	<b>45,874.00</b>
<b>TOTAL ASSETS</b>		<b>42,997.37</b>	<b>46,921.86</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	11	1,264.38	1,264.38
Other Equity	12	3,943.46	3,197.01
<b>Total Equity</b>		<b>5,207.83</b>	<b>4,461.39</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	13	522.86	411.59
others		-	-
Provisions		-	-
Deferred tax liabilities (Net)	14	17.08	9.75
Other non-current liabilities		-	-
<b>Total non-current liabilities</b>		<b>539.94</b>	<b>421.34</b>
<b>Current Liabilities</b>			
Financial liabilities			
Borrowings		-	-
Trade Payables			
Outstanding dues of Micro, Small & Medium	15	37,067.08	41,859.99

Particulars	Note	March 31, 2020	March 31, 2019
Enterprises			
Other Enterprise		-	-
Others			
Provisions	16	166.35	162.09
Other current liabilities	17	16.17	17.05
Current tax liabilities (Net)		-	-
<b>Total current liabilities</b>		<b>37,249.59</b>	<b>42,039.13</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>42,997.37</b>	<b>46,921.86</b>
Significant Accounting Policies	1		
Other Notes to Accounts	2-27		
As per our report of even date attached			

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

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

Place : Surat  
Date : 31/07/2020

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON  
MARCH 31, 2020**

(Rs. in Lakhs unless otherwise stated)

Particulars	Note	March 31, 2020	March 31, 2019
<b>INCOME</b>			
Revenue from Operations	18	197,049.07	173,155.76
Other Income	19	0.57	0.36
<b>TOTAL INCOME</b>		<b>197,049.64</b>	<b>173,156.12</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	20	153,956.19	109,736.87
Purchase of Stock in trade	21	40,880.20	63,275.03
Changes in Inventories of Finished Goods, work-in-progress and Stock in trade	22	-	165.48
Employee Benefit Expenses	23	75.46	96.04
Finance cost	24	38.17	18.90
Depreciation and Amortization expenses	25	18.98	11.80
Other Expenses	26	1,160.51	(894.84)
<b>TOTAL EXPENSES</b>		<b>196,129.51</b>	<b>172,409.28</b>
<b>Profit before exceptional, extra ordinary items and tax</b>		<b>920.13</b>	<b>746.84</b>
Exceptional Items		-	-
<b>Profit before extra ordinary items and tax</b>		<b>920.13</b>	<b>746.84</b>
Extra ordinary items		-	-
<b>Profit before tax</b>		<b>920.13</b>	<b>746.84</b>
<b>Tax Expenses</b>			
Current Tax		166.35	162.09
For earlier years ( written back )			
Deferred Tax	27	7.33	6.66
Tax for previous years		-	-
MAT Credit available for set off -		-	-
<b>Profit for the year from continuing operations</b>		<b>746.45</b>	<b>578.09</b>
<b>Earning Per Share for Continuing Operations</b>			
(I) Basic earnings per share in INR (face value of Rs. 10/- each		5.90	4.57
(II) Diluted earnings per share in INR (face value of Rs. 10/- each		5.90	4.57
<b>Significant Accounting Policies</b>	<b>1</b>		
<b>Other Notes to Accounts</b>	<b>2-27</b>		
<b>As per our report of even date attached</b>			

For CP Jaria & Co.  
Chartered Accountants  
Sd/-  
(Pankaj Jain)  
Partner  
M.No.112020  
FRNo.104058W  
Place : Surat  
Date : 31/07/2020

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



**CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2020**

(Rs. in Lakhs unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019
<b>Cash Flows from Operating Activates</b>		
Net Profit Before Tax and Extra Ordinary Items	920.13	746.85
<b>Adjustment For</b>		
Depreciation	18.98	11.80
Foreign Exchange	(2,214.58)	(1,095.23)
Gain or loss of Sale of Fixed assets	-	-
Other income (interest and discount	(0.57)	(0.37)
Finance Cost	38.17	18.90
Dividend Income	-	-
Discount on Export bill	3,091.10	-
Other adjustment of non cash Item	268.03	1,005.67
Other adjustment to reconcile Profit	-	-
<b>Total Adjustment to Profit/Loss (A)</b>	<b>1,201.14</b>	<b>(59.23)</b>
<b>Adjustment For working Capital Change</b>		
Adjustment for Increase/Decrease in Inventories	9,162.34	(13,632.43)
Adjustment for Increase/Decrease in Trade Receivables	(5,124.49)	(21,403.13)
Adjustment for Increase/Decrease in Other Current Assets	(648.94)	(703.62)
Adjustment for Increase/Decrease in Trade Payable	(4,792.91)	35,414.54
Adjustment for Increase/Decrease in other current Liabilities	(0.89)	12.98
Adjustment for Provisions	4.25	141.68
<b>Total Adjustment For Working Capital (B)</b>	<b>(1,400.63)</b>	<b>(169.98)</b>
<b>Total Adjustment to reconcile profit (A+B)</b>	<b>(199.49)</b>	<b>(229.21)</b>
<b>Net Cash flow from (Used in ) operation</b>	<b>720.64</b>	<b>517.64</b>
Dividend Received	-	-
Interest received	-	-
Interest Paid	(3.87)	(6.03)
Income Tax Paid/ Refund	-	-
<b>Net Cash flow from (Used in ) operation before Extra Ordinary Items</b>	<b>716.77</b>	<b>511.61</b>
Proceeds from Extra Ordinary Items	-	-
Payment for Extra Ordinary Item	-	-
<b>Net Cash flow From operating Activities</b>	<b>716.77</b>	<b>511.61</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds From fixed Assets	-	-
Proceeds from Investment or Equity Instruments	9.40	-
Purchase of Fixed Assets	(125.63)	(152.98)
Purchase Of Investments or Equity Instruments or advances made	-	(10.32)
Interest received	0.57	-
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	-	-

Particulars	March 31, 2020	March 31, 2019
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>(115.66)</b>	<b>(163.31)</b>
Proceeds from Extra Ordinary Items	-	-
Payment for Extra Ordinary Item	-	-
<b>Net Cash flow from (Used in ) in Investing Activities</b>	<b>(115.66)</b>	<b>(163.31)</b>
<b>Cash Flows from Financial Activities</b>		
Proceeds From Issuing Shares	-	-
Proceeds from Issuing Debenture /Bonds/Notes	-	-
Redemption of Preference Share	-	-
Redemption of Debenture	-	-
Proceeds from other Equity Instruments	-	-
Proceeds From Borrowing	105.20	357.16
Repayment Of Borrowing	(21.18)	(12.28)
Dividend Paid	-	-
Interest Paid	(4.02)	(4.92)
Income Tax Paid/Refund	-	-
<b>Net Cash flow from (Used in ) in Financial Activities before Extra Ordinary Items</b>	<b>80.00</b>	<b>339.96</b>
Proceeds from Extra Ordinary Items	-	-
Payment for Extra Ordinary Item	-	-
<b>Net Cash flow from (Used in ) in Financial Activities</b>	<b>80.00</b>	<b>339.96</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes</b>	<b>681.10</b>	<b>688.26</b>
Effect of exchange rate change on cash and cash equivalents	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>681.10</b>	<b>688.26</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>668.60</b>	<b>19.66</b>
<b>Cash and cash equivalents at end of period</b>	<b>12.51</b>	<b>668.60</b>

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

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

Place : Surat  
Date : 31/07/2020

**Notes to the Standalone Financial Statements for the year ended March 31, 2020****BACKGROUND**

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

**SIGNIFICANT ACCOUNTING POLICIES****1.01 Basis of preparation**

The standalone financial statements have been prepared in accordance with Accounting Standards (AS) notified under the Companies Act, 2013.

The entity has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2020 has been prepared in accordance with notified AS.

The standalone financial statements have been prepared on a historical cost basis.

**1.02 Current versus non-current classification**

The company presents assets and liabilities in the Balance Sheet based on current / non-current classification. An asset is treated as current when it is

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity has assumed twelve months as its operating cycle.

**1.03 Foreign Currency Transactions**

The standalone financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the yearend rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of Ind AS 21.

#### **1.04 Revenue recognition**

The company revenue is derived from single performance obligation under arrangements in which the transfer of control of product and the fulfilment of companies performance obligation occur at the same time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable (net of returns and allowances, trade discounts and volume rebates), taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty. The company has concluded that it is the principal in all of its revenue arrangements with tie up units since the company is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks. In arrangements with tie up units, revenue is recognised at gross value with corresponding cost being recognised under cost of production.

Sale of products was impacted due to lockdown under the present pandemic during the period 24th March 2020 to 31st March 2020.

#### **1.05 Taxes**

##### **Current Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the entity operates and generates taxable income.

##### **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

**Deferred tax liabilities** are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

In respect of taxable temporary differences associated with interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**Deferred tax assets** are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax on Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of deferred tax relating to MAT credit entitlement to the extent there is no longer reasonable certainty that the Company will pay normal income-tax during the specified period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **1.06 Property, plant and equipment**

Property, plant and equipment have been measured at cost as per the AS - 10 (PPE).

Assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress is stated at cost, less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

##### **Depreciation**

Depreciation is provided as per Schedule II to the Companies Act, 2013, on straight line method with reference to the useful life of the assets specified therein.

On additions costing less than Rs.5000, depreciation is provided at 100% in the year of addition.

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **1.07 Inventories**

Finished goods and work-in-progress are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. Raw materials, packing materials, stores and spares are valued at lower of cost or net realisable value. Cost is ascertained on "moving weighted average" basis for all inventories.

Physical verification of all major Inventory items is carried out atleast once a year. The variations is any are duly accounted for after thorough verification. At the year end the stock is rolled over and verified.

#### **1.08 Provisions, Contingent Liabilities and Contingent Assets Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**1.09 Employment Benefits**

The Company has not accounted the liability for future gratuity benefits to be passed to the employees which is not as per AS 15 "Employees Benefit". The undiscounted amount of short term employee benefits that are expected to be paid in exchange for services rendered by an employee is recognized during the period/year when the employee renders the services. Un-availed Leave Liability is a defined obligation and is not funded. The company has not accounted the liability for the same which is not as per AS 15 "Employees Benefit. Leave Salary & Gratuity has not accounted on payment basis. The Company has not taken Actuarial Valuation as at Balance Sheet date which is not as per AS 15.

**1.10 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 is as per annexure at the end.

**1.11 Earnings Per Share**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period adjusted for the effects of all dilutive potential equity shares.

**1.12 Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise balance at banks and cash on hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible which are subject to an insignificant risk of changes in value.

**1.13 Significant accounting judgements, estimates and assumptions**

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates, in the COVID19 pandemic environment of lockdown, could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. These have been assessed to the best of understanding but the degree of uncertainty has increased.

**Judgements**

In the process of applying the accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the separate financial statements.

**Revenue recognition**

The entity assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The entity has generally concluded that it is acting as a principal in all its revenue arrangements.

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the entity and its business partners are reviewed to determine each party's respective role in the transaction.

Where the entity's role in a transaction is that of a principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, net off sales

tax/VAT/GST, trade discounts and rebates but inclusive of excise duty with any related expenditure charged as an operating cost.

#### **Estimates and assumptions**

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

#### **Taxes**

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

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

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

<b>S. No.</b>	<b>Name of Related Parties</b>	<b>Nature of Relationship</b>	<b>Nature of Transaction</b>	<b>Amount (In Rs.)</b>
1.	Vaibhav shah	Managing Director	Remuneration	60,00,000
2.	Nidhi Shah	Finance Head	Remuneration	9,60,000
4.	Pooja Surendra Jain	Company Secretary	Remuneration	240,000
6.	RHC Global Pvt. Ltd	Company having common director	Sales	11,79,28,240

## 2 Tangible Assets

(In Rs.)

Particulars	Gross				Depreciation					Net Value	
	Opening as on 01/04/2019	Addition during the year	De du cti on dur ing the yea r	Closing as on 31/03/2020	Opening as on 01/04/2019	During the Period	De duc tio n dur ing the yea r	Ot her Adj ust me nt	Closing as on 31/03/2020	Opening as on 01/04/2019	Closing as on 31/03/2020
Computer	4,32,949	1,75,172	-	6,08,121	48,344	1,77,637	-	-	2,25,981	3,84,605	3,82,140
Furniture & Fixtures	7,98,845	14,19,313	-	22,18,158	1,47,817	1,37,987	-	-	2,85,804	6,51,028	19,32,354
Plant & Machinery	181,22,507	109,68,111	-	290,90,618	14,14,512	13,31,788	-	-	27,46,300	167,07,995	263,44,318
Building	79,03,500	-	-	79,03,500	1,04,485	2,50,541	-	-	3,55,026	77,99,015	75,48,474
Land	25,08,626	-	-	25,08,626	-	-	-	-	-	25,08,626	25,08,626
Work in Progress	31,12,987	23,26,181	-	54,39,168	-	-	-	-	-	31,12,987	54,39,168
	<b>297,66,427</b>	<b>125,62,596</b>	-	<b>423,29,023</b>	<b>17,15,158</b>	<b>18,97,952</b>	-	-	<b>36,13,110</b>	<b>311,64,256</b>	<b>441,55,081</b>
Previous year	175,80,932	121,85,494	-	297,66,426	5,34,892	11,80,266	-	-	17,15,158	170,46,040	280,51,268

## 3 Other non-current assets

(Rs. in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Advance for Exhibition	-	5.00
Advance paid to Creditors	-	595.00
Advance to Staff	-	11.18
Advance Income tax	-	125.00
TDS Receivable	-	0.04
Prepaid Assets	-	-
<b>Total</b>	<b>-</b>	<b>736.22</b>

## 4 Inventories

(Rs. in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Raw Material	6,426.63	15,588.98
Work-in-progress	-	-
Finished goods *	-	-
Stock-in-trade	-	-
<b>Total</b>	<b>6,426.63</b>	<b>15,588.98</b>

## 5 Trade Receivables

(Rs. in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Trade Receivables Considered Good- unsecured	33,127.67	28,003.18
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
Unsecured, considered good	-	-



Particulars	As at 31-03-2020	As at 31-03-2019
Doubtful	-	-
Less: Allowance for expected credit losses	-	-
<b>Total</b>	<b>33,127.67</b>	<b>28,003.18</b>

**6 Cash and Cash Equivalents**
**(Rs. in Lakhs)**

Particulars	As at 31-03-2020	As at 31-03-2019
Balances with Banks	4.23	658.59
Cash in Hand	8.28	10.00
<b>Total</b>	<b>12.51</b>	<b>668.59</b>

**7 Bank Balances other than Cash and Cash Equivalents**
**(Rs. in Lakhs)**

Particulars	As at 31-03-2020	As at 31-03-2019
Balances with Banks	-	-
In unpaid dividend accounts	-	-
In term deposits #	-	-
Deposits with more than 12 months maturity	0.93	10.00
Accrued Interest	-	0.32
<b>Total</b>	<b>0.93</b>	<b>10.32</b>

# Deposit are: Under lien with Government departments and banks as security

**8 Loans (Unsecured- Considered good, unless otherwise stated)**
**(Rs. in Lakhs)**

Particulars	As at 31-03-2020	As at 31-03-2019
Security Deposits	15.66	15.66
Loans and Advances (Assets)	-	1,514.16
Others	-	-
Advances recoverable	2,962.51	-
<b>Total</b>	<b>2,978.17</b>	<b>1,529.82</b>

**9 Current Tax assets (Net)**
**(Rs. in Lakhs)**

Particulars	As at 31-03-2020	As at 31-03-2019
GST Receivable	6.27	-
TDS Receivable	0.06	-
<b>Total</b>	<b>6.33</b>	<b>-</b>

**10 Other Current Assets**
**(Rs. in Lakhs)**

Particulars	As at 31-03-2020	As at 31-03-2019
Insurance Claim Receivable	-	20.00
Prepaid Expenses	3.57	2.35
Other Current Assets	-	50.75
<b>Total</b>	<b>3.57</b>	<b>73.10</b>

**11 Equity Share Capital**

( Rs. in lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>Authorised</b>		
1,35,00,000 Equity Shares of Rs. 10/- each	1,350.00	1,350.00
<b>Total Authorised</b>	<b>1,350.00</b>	<b>1,350.00</b>
<b>Issued, Subscribed and fully paid up</b>		
1,26,43,780 Equity Shares of Rs. 10/- each	1,264.38	1,264.38
<b>Total Issued, Subscribed and fully paid up</b>	<b>1,264.38</b>	<b>1,264.38</b>

**Details of shareholders holding more than 5% of total equity shares of the company**

Shareholders holding more than 5% shares	As at 31-03-2020		As at 31-03-2019	
	%	Number of Shares	%	Number of Shares
VAIBHAV DIPAK SHAH	49.26	62,27,860	49.26	62,27,860
SG DIAMONDS LLP	23.74	30,01,260	23.74	30,01,260

**12 Other Equity - Reserves & Surplus**

( Rs. In Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Retained Earning	2,760.11	2,013.66
Securities Premium Reserve	1,183.35	1,183.35
<b>Total</b>	<b>3,943.46</b>	<b>3,197.01</b>

**13 Borrowing**

( Rs. In Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Term Loan-Secured		
- Rupee loans from banks	138.46	54.43
Term Loans - Unsecured		
- Rupee loans	384.41	357.16
<b>Total</b>	<b>522.87</b>	<b>411.59</b>

**14 Deferred Tax Liability (Net) (Refer note-27)**

( Rs. In Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred Tax Liability	17.08	9.75
<b>Total</b>	<b>17.08</b>	<b>9.75</b>

**15 Trade Payables**

( Rs. In Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Outstanding dues of Micro, Small and Medium Enterprises	37,067.08	41,859.99
Other Enterprises	-	-
<b>Total</b>	<b>37,067.08</b>	<b>41,859.99</b>

**16 Provision**

(Rs. in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Income Tax	166.35	162.09
<b>Total</b>	<b>166.35</b>	<b>162.09</b>

**17 Other Current Liabilities**

(Rs. In Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Other Payables	-	-
Other payables	(2.92)	-
Duties & Taxes	19.09	16.55
Provision	-	0.50
<b>Total</b>	<b>16.17</b>	<b>17.05</b>

**18 Revenue from Operations**

(Rs. In Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
<b>Sale of Finished Goods</b>		
Export Sales (Sachin)	157,627.78	110,966.04
Freight & Other Handling Charges Received (Sachin)	40.89	34.17
<b>Total (a)</b>	<b>157,668.67</b>	<b>111,000.21</b>
<b>Sale of Traded Goods</b>		
Local Sales (Mumbai) 0.25% GST	19,201.00	16,756.78
Local Sales (Mumbai) 3% GST	60.46	-
Oms Sales (Mumbai) 0.25% GST	20,107.97	45,243.76
Oms Sales (Mumbai) 3% GST	10.97	-
Round-off Sales	-	-
GST collected on sales	-	155.00
<b>Total (b)</b>	<b>39,380.40</b>	<b>62,155.55</b>
<b>Total (a+b)</b>	<b>197,049.07</b>	<b>173,155.76</b>

**19 Other Income**

(Rs. In Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Interest on Fixed Deposit	0.57	0.36
<b>Total</b>	<b>0.57</b>	<b>0.36</b>

**20 Cost of Material Consumed**

(Rs. In Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Raw Materials		
Opening Stock	15,588.98	1,791.07
Add: Purchases	1,44,793.85	1,23,534.78
	<b>1,60,382.83</b>	<b>1,25,325.85</b>
Less: Closing Stock	6,426.63	15,588.98
<b>Total</b>	<b>1,53,956.19</b>	<b>1,09,736.87</b>

**21 Purchases of Traded Goods**

(Rs. in Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Local Purchases (Mumbai) 0.25% GST	28,650.44	51,822.85
Local Purchases (Mumbai) 3% GST	16.72	-
Oms Purchases (Mumbai) 0.25% GST	12,213.04	11,287.18

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Round off Purchase	(0.01)	-
GST Paid on Purchases and Expenses	-	164.99
<b>Total</b>	<b>40,880.20</b>	<b>63,275.03</b>

**22 Changes in Inventory of Raw Material, Finished Goods, Work in Progress and Stock in Trade**

(Rs. in Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Opening Stock		
Stock in Trade	-	165.48
Finished Goods	-	-
Work-in-progress	-	-
Less: Closing Stock		
Stock in Trade	-	-
Finished Goods	-	-
Work-in-progress	-	-
<b>Total</b>	<b>-</b>	<b>165.48</b>

**23 Employee Benefit Expenses**

(Rs. In Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Salary, Wages & Bonus		
Salaries & wages	61.28	92.04
Bonus Paid	2.40	1.27
<b>Total (a)</b>	<b>63.68</b>	<b>93.31</b>
Staff Welfare Expenses	7.80	2.73
Staff Welfare Expenses	3.73	-
Mediclaime Expense	0.24	-
<b>Total (b)</b>	<b>11.78</b>	<b>2.73</b>
<b>Total (a+b)</b>	<b>75.46</b>	<b>96.04</b>

**24 Finance Cost**

(Rs. In Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Interest Paid on BMW Loan	4.02	4.92
Interest on Income Tax	1.72	-
Interest Charges (DGDC)	-	-
Interest Paid on TDS	2.15	-
Interest Paid On Short Term Loan	30.28	7.95
Bank Charges	-	5.73
Commission on operating of ASBA account	-	0.03
Charges for Monitoring foreign investment fund	-	0.12
Charges for Increase in Capital	-	0.15
<b>Total</b>	<b>38.17</b>	<b>18.90</b>

**25 Depreciation & Amortization expenses**

(Rs.in Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Depreciation	18.98	11.80
<b>Total</b>	<b>18.98</b>	<b>11.80</b>

**26 Other Expenses**

(Rs. in Lakhs)

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
<b>Administration Expenses</b>		
Import Related Expenses	32.81	25.84
Electricity Expenses	2.73	1.40
Accounting Fees	6.80	-
Annual Custody Fees	0.49	0.53
Annual Hosting Charges	-	0.12
Domain Registration Charges	-	0.02
Email Solution Charges	-	0.10
CGST Late Fees	0.12	0.03
SGST Late Fees	0.12	0.03
Computer Software Exp (Mumbai)	0.02	-
IT Support Expenses	-	0.12
Conveyance Charges	0.10	0.15
Courier Charges	0.04	0.09
Discount Rates and Rebates	-	-
DNB Report Charges	1.44	0.11
Issuer Fees	0.90	0.53
Membership Fees	2.43	1.73
Office Expenses	4.08	2.75
R&T/NSDL/CDSL Service Charges	0.34	0.51
SME Annual Listing Fees	0.93	0.39
Valuation Report Exp	0.79	-
Custodian Service Charges (Sachin)	6.18	5.40
Machinery Tools (Factory Use)	5.86	2.49
NSDL AMC Charges (Sachin)	0.12	-
Repairs to Building-(Civil)	9.54	-
Repairs & Maintenance (others)	3.66	7.75
Insurance	0.96	0.44
Rent	3.00	1.06
Travelling Expense-Director	4.51	8.19
Travelling Expense- Others	0.10	16.88
Director's fees	0.47	-
Director's Remuneration	60.00	-
Bank Charges	30.76	-
Professional Fees	25.98	50.10
Labour charges	-	0.10
Postage And Telegram Expenses.	0.02	-
Telephone Expenses.	0.14	0.15

Particulars	For Year Ended on 31-03-2020	For Year Ended on 31-03-2019
Internet Charges	0.05	0.26
<b>Total Administrative Expense (a)</b>	<b>205.45</b>	<b>127.28</b>
<b>Loss / (Gain) on Foreign Exchange Fluctuation</b>		
Forex-Gain/ Loss Realised	(2,217.39)	(1,103.45)
Foreign Exchange Fluctuation A/c	2.81	9.32
<b>Total (b)</b>	<b>(2,214.58)</b>	<b>(1,094.14)</b>
<b>Other Overhead Expenses</b>		
Export Related Expenses	3126.14	37.89
Parking Charges	0.56	-
Pest Control	0.03	-
Petrol Expenses	3.05	2.11
Printing & Stationery	1.27	0.58
Rounded Off - Expenses	-	-
Statutory Audit Fee & Expenses.	1.06	0.50
234E Penalty on TDS	0.81	2.52
Other Expenses	0.38	-
Packets Charges (Sachin)	0.03	0.29
Security Charges (Sachin)	0.72	0.60
Service Charges (Maintenance Or Repair Services)	1.57	0.83
SEZ Online System Charges (Sachin)	1.13	0.52
SSL Certificate Charges	-	0.05
Written Off	-	0.10
Processing Fees	-	0.03
BSI Package of BMW	-	6.55
Income Tax Fy 2016-17	-	2.50
Interest on Income Tax	-	-
Interest on TDS	-	0.66
CSR Expenditure	7.00	-
Water Charges (Sachin)	2.28	0.20
<b>Total Overhead expense (c)</b>	<b>3,146.02</b>	<b>55.94</b>
<b>Selling and Distribution Expenses:</b>		
Brokerage & Commission (Sachin)	8.42	14.00
Business Promotion Expenses	13.56	0.71
Logistics Service(Sachin)	0.82	0.84
Testing Charges (Sachin)	0.81	0.52
<b>Total Selling and Distribution Expenses (d)</b>	<b>23.61</b>	<b>16.08</b>
<b>Total (a+b+c+d)</b>	<b>1,160.51</b>	<b>(894.84)</b>

**27 Deferred Tax Liability****(In Rs.)**

Particulars	Book Profit	Taxable Profit	Difference	Amount to be recognized	
Opening Balance of DTL	920,12,713.99	901,80,564.16	18,32,149.83	9,74,890.00	
Depreciation	18,97,952.00	42,71,180.00	(23,73,228.00)	(7,33,327.45)	DTL Current Year
				17,08,217.45	Accumulated DTL

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

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

Place : Surat  
Date : 31/07/2020

**SAGAR DIAMONDS LIMITED**

CIN NO: L36912GJ2015PLC083846

Regd. office : Plot No. 266-B, 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 05th Annual General Meeting of the Company to be held on **Wednesday, 30th September, 2020 at 12.00 noon at registered office of the company at Plot No. 266-B, SEZ Diamond Park, Sachin ,Surat 394230, Gujarat**

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

Regd. office : Plot No. 266-B, 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 05th Annual General Meeting of the Company, to be held on **Wednesday, 30th September, 2020 at 12.00 noon at registered office of the company at Plot No. 266-B, SEZ Diamond Park, Sachin ,Surat 394230, Gujarat India- 394230** and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Indicated below:

No.	Resolutions	Vote (*Optional)	
		For	Against
Ordinary Business			
1.	Ordinary Resolution for Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Ordinary Resolution for re-appointment of Mr. Vaibhav Dipak Shah (DIN:03302936) as a Director of the Company, who retires by rotation.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ September, 2020.

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

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

**Note:**

1. 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.
  2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 05<sup>th</sup> AGM.
  3. 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

**SAGAR DIAMONDS LIMITED**

CIN NO: L36912GJ2015PLC083846

Regd. office : Plot No. 266-B, SEZ Diamond Park, Sachin, Surat Gujarat 394230 India

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